

KYMENLAAKSO UNIVERSITY OF APPLIED SCIENCES

Master's Degree Programme in International Business Management

Anna Saarela

THE COLOURFUL RUSSIAN MIDDLE CLASS

CASE: The winter holidays visitors in Lahti city

Master's Thesis 2011

ABSTRACT

KYMENLAAKSON AMMATTIKORKEAKOULU

University of Applied Sciences

Master's Degree Programme in International Business Management

SAARELA, ANNA

The Colourful Russian Middle Class –

CASE: The winter holidays visitors in Lahti city

Master's Thesis

83 pages + 8 pages of appendices

Supervisor (KyUAS)

Peter Zashev, Research Manager, D.Sc. (econ.)

May 2011

Keywords

Russia, middle class, social structure, Soviet-Union, life styles, Russian visitors, consumer behavior

From the time the Soviet-Union collapsed, the Russian middle class has been a very popular subject for researchers because of its multi-complexity and its natural transformation process.

The aim of the first part of the thesis is to give an informative view of Russia's colourful middle class, by explaining to readers what the middle class has gone through during the past two decades and where it stands now. Later will follow an analysis and examples about different strata (classes, groups) and their lifestyles; how they live, what their values are and where they prefer to invest their money.

The case study was made in cooperation with three hotels located in the centre of Lahti city. The aim of the study was to find out how Russian visitors who come to Finland in the period of their winter holidays, perceive the service in Finland and what they feel about the service in the Russian language while visiting Finland. The results show that Russians perceive the service in Finland to be at either a high or a medium level. In general, Russian customers expressed their satisfaction to the service. It was noticed that Finnish service providers know little about their clients, which needs to be changed. Russia is a large country that will provide enough customers in the near future, but looking ten or twenty years ahead, it becomes clear that Finland needs to invest more in its tourism strategy by improving the language skills and other Russia-related knowledge in order to serve their clients well.

TABLE OF CONTENTS

ABSTRACT

PART 1

1. INTRODUCTION	6
1.1. Background	6
1.2. Setting the topic	7
1.3. Literature used in this research	8
1.4. Research questions	9
2. PREFACE OF THE MIDDLE CLASS IN RUSSIA	10
2.1. Terminology and description of the theories	10
2.1.1. Karl Marx and Max Weber	11
2.2. The historical view of classification in Russia	13
2.3. Chronological Russia's review of MC during 1989-2005	15
2.4. The Soviet-Union's classification system	16
2.5. The Russian and Western middle class: The biggest difference	17
2.6. Four different approaches in identifying of the MC	19
3. THE MIDDLE CLASS	21
3.1. The role of the Middle class	21
3.2. The common characteristics	22
3.3. Four criteria of identifying the Middle class	26
3.3.1. Maleva's approach in identifying middle class	27
3.3.2. Methodological approaches by Maleva's team	30
3.4. The profile of the representative of the Middle class	31
3.5. The middle class from inside	35
3.5.1. Two classes, four clusters	35
3.5.2. Four clusters	38
3.5.3. The groups inside the classes	42
3.6. Summary	44

4. THE CONSUMER BEHAVIOR: CASE FROM SAINT-PETERSBURG	45
4.1. Background of CASEs	45
4.2. Three groups of consumer behaviors styles	45
4.3. The income level	46
4.4. Education	48
4.5. The self-identification	49
4.6. Property	50
4.7. The Leisure time	52
4.8. The health of the middle class	54
4.9. Summary	55

PART 2

5. METHODOLOGY	57
5.1. CASE-study	57
5.2. Interview	58
5.3. Design, Implementation, Analyzing, Reporting	59
6. CASE STUDY: Russian winter holidays visitors in Lahti city	61
6.1. Background	61
6.2. Pre-implementation	61
6.2.1. Implementation	62
6.3. The report of survey	63
6.3.1. Profile	64
6.3.2. Service	66
6.3.3. Language	66
6.3.4. Improvements suggested by visitors	69
6.4. Lahti's LAKES	71
6.5. Summary	73
7. CONCLUSIONS	76

REFERENCES

APPENDICES

Appendix 1: A questionnaire form (Original)

Appendix 2: A questionnaire form (Translation)

Appendix 3: (Original)

Appendix 4: (Translation)

1. INTRODUCTION

1.1. Background

The aim of this study is to offer more information about Russia and its still developing and growing the middle class that is continuing its transformation process. This research may be useful for those who are doing business in the Russian trade, for example, or those who have Russians as their customers in the hospitality sector, or anyone just simply interested in the topic. After reading this thesis the reader will know; ‘Who belongs to Russia’s middle class?’, ‘How do they live and spend their money?’, and ‘How do they see their future?’.

The first part of the thesis will concentrate on the description, history and different approaches in identifying the Russian middle class. Also a view from inside the middle class will be introduced, displaying its different variations with classes, clusters, groups and professions. What does the Russian middle class really mean? How does it differentiate from a Western model? Are they comparable, or definitely not, or will the comparison perhaps be possible after decades? There will be description about the middle class’s educational, professional, and economic backgrounds. With that the reader will have a glance at ‘an average middle class person’; if there is such thing as ‘average’. **The fact is that the Russian middle class is very colorful almost like the rainbow with all its different shades.**

The reason why the case study of the Saint-Petersburg is to be introduced is that a consumer behavior and life-styles are interesting to be explored. Besides that, Saint-Petersburg is now easily reachable, only 2.5 hours away from city of Lahti, where the case-study of this thesis work was conducted. Russians are the largest group of visitors in Finland; Russia is Finland’s largest trade partner. The closer the border is, the more probably a Finnish city has understood to invest in the Russian know-how (a culture, a language, a purchase behavior etc.). Their businesses are indeed doing very well, because they clearly see the economic

potential of the situation – the Russian middle class has Euros and they are ready to spend it.

The second part of the work consists of the case- study of winter holidays visitors - representatives of the Russian middle class visiting Lahti. The study was completed in cooperation with three hotels located in Lahti. The questionnaires were distributed directly to the hotels to be further shared with the customers. The main subjects of the questionnaire were *the level of service in Finland from the visitor's point of view* and *the necessity of the service in Russian language*. The response rate was almost 60% and one of the three hotels received the highest rate of replies. They had a Russian-speaking trainee in the reception, which may be the first significant matter in considering the interpretation of the case study results.

1.2. Setting the topic

To be able to build successful business in Russia or with Russians, it is almost essential to build a successful personal relationship first. Therefore it is necessary to gain sufficient knowledge about the culture, customs and personal needs of Russian people. It is adequate to understand *where a person came from and where he is going* (metaphorically), if the service provider is planning to sell something to the customer. Russians are indeed very personal relationship oriented people; *they do business with the people they like and trust*. A company's well illustrated brochure about a product may not be enough unless the management has a very well prepared sales person with knowledge of the target group and its language.

When discussing the Finns' Russian-knowledge, meaning being aware of a neighbor country's culture, mentality, language and life styles, there is definitely a place for improvement. In the spring of 2010 over 30 000 students took the Finnish matriculation examination but only 139 of the students wrote Russian language as an A-level language (Ylioppilaslautakunta, 2010). It is very regretful that so small number of young people is interested in studying the

Russian language and culture. It is very important to offer an opportunity to choose studying the Russian language to the Finnish youth and to support their journey of study in such an interesting neighbor country.

Finnish media, together with the influential representatives from the politics and business sector, regularly express their concern about the lack of the Russia-experts in all various areas. Their concern is indeed relevant. For example, if there are any sociological related issues concerning Russia they are usually commented by Markku Kivinen (Aleksanteri-Institute), if it is an economic issue then the commentator is Pekka Sutela (BOFIT), if it is history related subject then Arto Luukkanen (University of Helsinki) express his opinion. They have an in-depth knowledge and know-how, but I believe that Finland needs a new wave of Russia experts to be prepared to continue their heritage. It is essential for the new generation of Western businessmen to understand that there has been a change in the Russian business life since the collapse of the Soviet Union. Time has changed. It is never too late to update knowledge on Russia – it is a large country with plenty of subjects to learn about. The academic world for example should encourage their students to explore more on Russia related knowledge. Not only about country itself, but more interest should be toward the Russian people and their culture.

1.3. Literature used in this research

The majority of data in this thesis came from Russian sociological sources. It is also understandable, because the country is large and better results can be achieved by conducting research locally and by understanding the mentality of nation. The question is after all about people's lives.

Two large surveys are chosen to be used and analyzed in the theory part accompanied with several smaller studies related to the Russian middle class. The first one (Mareeva and Tihonova, 2009) is a monograph work performed during 1999-2009 and another study (Shastitko, Avdasheva, Ovchinnikov, Maleva, Ovcharova, 2008) was introduced by several writers in 2003 and then

reviewed in 2008, covering Russia's twelve regions and over 5.000 households. In the latter one it was noticed that there was a change in people's life, and a clear evidence of positive changes was provided. These studies were conducted by most well-known sociologists in Russia, who have enormous experience over several decades, starting from the Soviet-Union time. It was noticeable that some particular researchers and names were repeated in all studies, which only underlines the reliability of the material used. All translations from Russian to English in the thesis were made by Anna Saarela.

1.4. Research questions

The development project consists of two different modules. The first one concentrates on visualizing the background of the Russian middle class and its position today by giving the most detailed profiles of the representatives. In the first part of the thesis the following questioned are analyzed:

- 1. How was the Russian middle class established?*
- 2. What kind of different the economic-professional-social profiles of the representatives of the middle class exist?*
- 3. What different life styles are there among them and what these people value?*

The second part of the work introduce the case study of the thesis with the Russian winter holidays visitors in Lahti city at the beginning of the January 2011. The visitors were asked a large scale of questions, but two main subjects were the most important one:

- 4. How do they perceive Finnish service in general?*

5. *What do they think about service in Russian language?*

The subject is very timely and interesting. The thesis work provides answers to all research questions, but because of the multi-complexity of the research field, there are plenty left to study further. It is impossible to make too much Russia-related research in Finland – all information is valuable and important.

2. PREFACE OF THE MIDDLE CLASS IN RUSSIA

2.1. Terminology and description of the theories

The middle class or *Bourgeoisie* originally by terminology referred to those, who lived in urban areas. During the 17th and 18th centuries it became more identified with a specific stratum of town-dwellers, the merchants who traded for profit and who employed people to work for them. In political and social theory the social structure order has been dominated by the property-owning class. The first, who referred to the middle strata of society, was Aristotle (384-322 BC) and still his heritage continues to be quoted. (Encyclopedia Britannica, 2011)

When sociologists argue about social structure and classes, they refer to a group of people who has a similar position in the economic system of production. Within this kind of approach an occupation is essential, because it provides stability and financial rewards. Two classical sociologists are presented below, Karl Marx and Max Weber. Studies about Russian middle class, conducted researchers of sociology to be later introduced, will be leaning more on Weber's approach (see Mareeva and Tihonova, 2009), because nowadays it is seen as the universal model.

2.1.1. Karl Marx (1818-1883) and Max Weber (1864 – 1920)

Two classical and world-wide known sociologists, Karl Marx and Max Weber were chosen to be introduced, because they have been considered as the fathers of the middle class universally. According to the social ideology of Marx there were two great classes in society – the owners of production and the workers. The workers owned only their ability to work, what Marx called ‘labor power’. Marx introduced that class was explained by income and it had a way to the means of production, which created a cap between the *bourgeoisie* and the proletariat. Weber argued that class referred to economic interests. It was a variable economic position – groups that share a common set of life-chances and opportunities. Weber underlined that class was developed according to an individual's abilities and skills, which through this would be rewarded them by their income and status. His approach was more individualistic and allowed for a more flexible and less rigid class structure. For Marx labor of worker is appropriated, and at some point facing off against each other - for Weber the labor and class relations are exchanged voluntarily. In their works Marx sees capitalism as a beginning of class conflict; Weber views it as natural and a source of stability. (Krieken, Smith, Habibis, McDonald, Haralambos, and Holborn, 2000, 54-65.)

Marx was aware that besides owners and workers in society is a third category, which he referred *petit bourgeoisie* (little middle class). They were owners of own small businesses. Finding a correct location for this group was difficult, because they lacked the power. For example, the owners had a control over their work and salaries unlike the workers. The bourgeoisie was depending on the proletariat with labor resources to increasing their profit level, while the proletariat depended on the bourgeoisie for survival in economical aspect. This can be also explained that the bourgeoisie is a '*class for itself*' whereas the proletariats is a '*class in itself*'. The symbiosis of common interests for each of the groups explains the pursuit of personal gain by the bourgeoisie and the proletariat trying to survive economically - this conflict creates an invisible struggle via the *class* is born. (Weber 1964, 424-429)

Although Marx was aware about the middle or intermediate class, only Weber could later described and interpret it as it is understood nowadays among sociologists. Someone among sociologists has even suggested that Weber's research work is a dialogue with a ghost of Marx. Weber agrees with Marx's theory of the class distinction between the bourgeoisie and proletariat, still he is orientated into individual's market value. He believed that an individual's class position is determined by their current market value (= the individual's level of education, natural talent, skills and gained knowledge). (Krieken, R. et al, 2000, 57-62.)

Weber believed that social mobility can change people's positions; either upwards or downwards depending on person's choices and opportunities. Marx does too recognize social mobility and its possibility of being absorbed by the other two groups due to its transitional stage. In Weber's market value approach it has been identified and recognized by the individual as an individual. In Marx's approach the generalization of people has been made - it defined them only by economic constraints, not their social aspects. (Weber 1999, 83-95.)

The backgrounds of theories have been explained by offering similarities and differences of Marx and Weber. In this thesis a large survey of the Russian middle class (Mareeva and Tihonova 2009; Maleva and Ovcharova, 2008) using the 'Neo-weberian' approach will be introduced. The Neo-Weberian approach is the most used and popular in the world and though seen as the universal. In the Neo-Weberian approach the profile of the representative of the middle class is combined with the social-professional, the economic, and the educational and self-identification criterion. Approaches explained above enable to discover the universal model of identifying the middle class.

2.2. The historical view of classification in Russia

‘The bigger the middle part of society will be, the stronger it become in the future’. - Aristotle

The Russian sociologists together with historicists (Dobrenkov and Kravchenko, 2001) describe three eras of the middle class, different from each other. Historically a classical or an old middle class was established early before the revolution of October 1917. In the time of 1960-1980 was found the Soviet-type middle class and a decade later it was prepared for the global market economy and its ownership approaches. The researchers called it the post-Soviet middle class.

1861 – The ending time of fortress and the beginning of capitalism. From capitalism rose a scientific & technical and a humanitarian intelligentsia. Also a small bourgeoisie, entrepreneurship, the managers and professionals were established, which are also adapted into nowadays life.

1917- The revolution of October, which destroyed the capitalism and promoted social equality. A pre-revolution middle class either was cut down or immigrated abroad, the so called elite strata of the society.

1921- A process of communism of society was stopped. NEP (=New Economic Policy) wanted bring to life a private business - a freedom of work activity. They succeed to transform some ideas of bourgeois ideology to the group of workers and farmers. The proletarian's way of thinking was changed to the bourgeois one.

1929- Stalin's time and time from capitalism to the command-administrative system. With the view of Stalin, society was divided into workers, land workers and intelligentsia. The whole environment of that time was not that suitable for growth and development of middle class. A national war did a huge damage in the agriculture sector and people's standard of living went lower. In the 1930s besides the development of the 'nomeklatura', such professions as engineers, doctors, teachers and journalists started to gather popularity.

1953- Stalin died and the new era of Khrushchev began. In the 1960-80s the growing period for the middle class was indeed very good. A scientific and technical progress took a huge leap for development. In the society there were not that many representatives of the small bourgeoisie or entrepreneurs, but there were a lot of teachers, doctors, lawyers, engineers, economists and managers. The 1960-80 were the time for the Soviet-type of the middle class, which was based on the socialistic approach rather than on capitalistic. The decade between 1970 and 1980 is remembered as the first time in the history when the governance of the Soviet-Union was losing control over the people. The 'controlling machine' was not able to function all the controlling procedures and 'pushing the ideas to people minds' it was doing before. In society groups of people with different thoughts from the majority of the population were noticed. The researchers (Dobrenkov & Kravchenko, 2001) suggest that already in the 1960s was some sign of the civil society.

1990- A period starts by moving from socialism to the capitalism. The end of the 1980s created the same type of identity and solidarity in the amount of the potential representatives of the middle class. Again in this particular group, it was not that much about the economic aspect as it was the idea-value oriented. The enormous changes in the business sector were explored. A big part of factories went down and new one was opened in the private sector. A privatization period belongs also to the 1990s, where the fastest ate the slowest and became overnight the super rich. It is approximately the same people, who were called 'nomenklatura' in the Soviet-Union time. The group called 'nomenklatura', which had the access to the power, property and money. Unfortunately the biggest part of population did not become richer, but poorer. Even though Russian middle class kept its intellectual status, it lost a lot in the material and status section. The governmental sector was not doing well and neither its workers, from the Soviet-Union time middle class existed and was developed. (Dobrenkov & Kravchenko 2001, 299-303; Simonyan 2009, 58)

In Figure 1 are presented the ups and downs of the development of the middle class in Russia's history. The same years are mentioned and explained above.

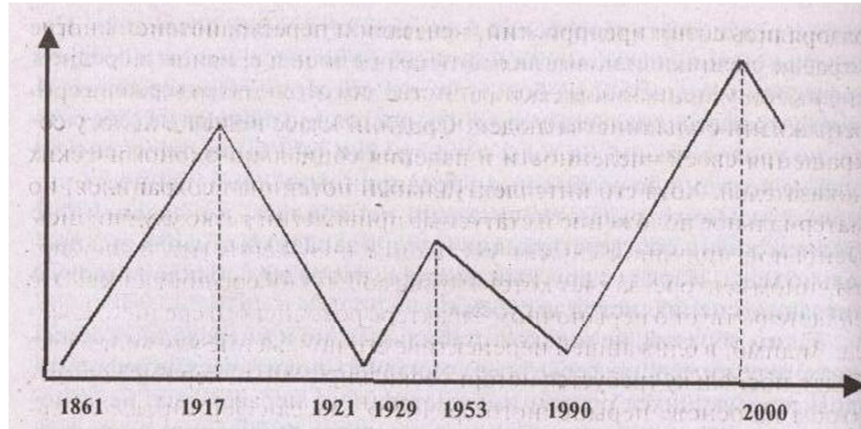


Figure 1: The image of Russia's middle class changes during its history. (Dobrenkov & Kravchenko 2001, 302)

2.3. Chronological overview in Russia's media about the middle class during 1989-2005

Balobanova (2008, 50-55), a sociologist analyzed the articles about the Russia's middle class in national sociological magazines during 1989-2005. She mentions in her analysis that the most popular sub-themes were economical behavior and values of middle class, political sides/opinions/views, the factors of social mobility and other problems in forming middle classes in modern Russia.

From the early 1990s, studies on the entrepreneurship start to appear; from which different elements this particular group is developed in Russia, how large group entrepreneurs are what motivates and drives them. Besides the entrepreneurs, the Soviet time intelligentsia is also an interesting theme in the media. Topics include how it is coping with changes, and what kind of relationship it has with government level. In 1993 it was first mentioned where

obviously in sociological circles is the middle class boom– everybody want to know how large the middle class is and who these people actually are.

During 1997-98 more studies were concentrated on stratification theory and a new social structure of Russian community. At the peak of the millennium there was a second wave of boom in analyzing middle classes in Russia and this time question is concentrated more on what happened after 1998 financial crisis and will the middle class survive.

After the millennium there was some silence in the air, but soon in the 2004-2005 the middle class interests again and big questions go around the Russian business life, where also the intelligentsia is situated. Also a social-professional aspect of the middle class profile is underlined and the results are very fine together with working motivation and professional identity of middle class representatives. (Balobanova 2008, 50-55)

2.4. The Soviet-Union's classification system

Popov (2009) suggests that nowadays Russian people in comparing Soviet-Union time are not finding themselves in class categories – for them a classification system is indeed a strange and weird. They found that those times are gone with Marxism. He also claims that for the most of the people ‘the middle class’ is a strange, a foreign and came from West to polish the differences between income levels. The large part of respondents in different sociological surveys gives different numbers about findings of the middle class in Russia. The reason for that is that **for an average Russian person the ‘middle class’ is the same as living like everybody else**, being in the middle of society.

In the Soviet Union times, finding that particular strata from the whole population, who lived ‘well’ or ‘had everything necessary’ was not that difficult. If you had a workplace in the government sector or at other governmental

institutions, an apartment in the city or house in the countryside with summer vacation offered from job, was about living well. A salary varied between RUB 100-400 per month and a pension was RUB 120 per month. Education and medical services were free of charge, the same with the kindergarten for the children. The biggest part of population lived this way, only the elite strata like 'nomenklatura' (1%), traders and buyers life standards were even higher, better. (Popov 2009)

Simonyan (2009, 55-61) summarizes in the article of 'The Middle class: a Social dream or reality' his understandings about description of the middle class. *The middle class in its classical understanding is not only about material property. It is the representative of citizen's values, personals dignity and independency, which is based on self-honorary, a community-political activity and the immunity to the social manipulate motives that together develop the middle class's self-knowledge.*

2.5. The Russian and Western middle class: the biggest difference

Dobrenkov and Kravchenko (2001, 314) argue that the old school of sociologist believe that if in West the most important resource for belonging to the Middle class is their professional knowledge and experience, in Russia it is a different case. They believe that especially **for an upper-middle class the key issues for success were closeness to the money and the social connections/networks.** The reasons have an effect on the consequences: a model of behavior is changing in the Russian middle class. Both the western and the Russian middle class have a high level of professionalism, knowledge etc., but the Russians are missing 'a motivated model of work community' meaning a hard working employee, a good-faith tax payer, a loyal citizen which is very typical for Western countries. (Dobrenkov & Kravchenko 2001, 314; Simonyan 2009, 57)

Before introducing of large-scale information about the Russian middle class, Table 1 below describes three different sociological schools from the United States. The authors of three sociological approaches are: Gilbert (2002),

Thompson & Hickey 2005 and Beeghley (2004). The table presents the typical characteristics of the different levels of middle class and defines also their percentages. The table 1 continues on the next page:

TABLE 1: The class model of the United States. (Wikipedia, 2010)

Academic Class Models					
Dennis Gilbert, 2002		William Thompson & Joseph Hickey, 2005		Leonard Beeghley, 2004	
Class	Typical characteristics	Class	Typical characteristics	Class	Typical characteristics
Capitalist class (1%)	Top-level executives, high-rung politicians, heirs. Ivy League education common.	Upper class 1%	Top-level executives, celebrities, heirs; income of \$500,000+ common. Ivy league education common.	The super-rich (0.9%)	Multi-millionaires whose incomes commonly exceed \$350,000; includes celebrities and powerful executives/politicians. Ivy League education common.
Upper middle class (15%)	Highly educated (often with graduate degrees), most commonly salaried, professionals and middle management with large work autonomy	Upper middle class (15%)	Highly educated (often with graduate degrees) professionals & managers with household incomes varying from the high 5-figure range to commonly above \$100,000	The Rich (5%)	Households with net worth of \$1 million or more; largely in the form of home equity. Generally have college degrees.
Lower middle class (30%)	Semi-professionals and craftsmen with a roughly average standard of living. Most have some college education and are white collar.	Lower middle class (32%)	Semi-professionals and craftsman with some work autonomy; household incomes commonly range from \$35,000 to \$75,000. Typically, some college education.	Middle class (plurality/majority?; ca. 46%)	College educated workers with incomes considerably above-average incomes and compensation; a man making \$57,000 and a woman making \$40,000 may be typical.
Working class (30%)	Clerical and most blue collar workers whose work is highly routinized. Standard of living varies depending on number of income earners, but is commonly just adequate.			Working class (ca. 40% -	Blue collar workers and those whose jobs are highly routinized with low economic security; a man making \$40,000 and a

	High school education.	(32%)	from \$16,000 to \$30,000. High school education.	45%)	woman making \$26,000 may be typical. High school education.
Working poor (13%)	Service, low-rung clerical and some blue collar workers. High economic insecurity and risk of poverty. Some high school education.				
Underclass (12%)	Those with limited or no participation in the labor force. Reliant on government transfers. Some high school education.	Lower class (ca. 14% - 20%)	Those who occupy poorly-paid positions or rely on government transfers. Some high school education.	The poor (ca. 12%)	Those living below the poverty line with limited to no participation in the labor force; a household income of \$18,000 may be typical. Some high school education.

2.6. Four different approaches in identifying of the Middle Class

Different schools of sociology understand the meaning of the middle class slightly differently. For that reason the explanation of different approaches in identifying a class is given. The four most popular approaches are a marketing oriented approach, a subjective approach, a resourceful approach and the last, but the most used in a Neo-Weberian approach. Below are listed the research styles with descriptions.

1. In *marketing* oriented approach:

- The person is seen as a massive social subject, who has a high living standard and consuming power.
- The most important criteria are income level per capita and/or some expensive assets/items to have.
- The questions related this category are more articulated like 'How much and what' should person have to be the representative of the middle class.

2. In *subjective* approach:

- In subjective approach are a marketing and political view combined together.
- It is not about material assets – it is about identity-psychological aspects. It also has an impact on social consciousness and social-political behavior. People self-identify themselves by their social status.

3. In *resourceful* approach:

- This segment clarify the specific amount, type and structure of activities that person has/owns.
- The problem of resourceful research approach is that on some point it blurs itself away. The middle class group is constantly divided and identified by some criteria.

4. In *Neo-Weberian* approach:

- This approach may be called universal – it is a well-known and used all over the world.
- Neo-Weberian approach consists of different parameters and sectors. They are social-professional status, education, economic level and self-identification.

(Tihonova & Mareeva 2009, 8-10)

3. THE MIDDLE CLASS

3.1. The role of the Middle class

The research work named as ‘The Russian middle classes before and in its economic growth’ was completed in the 2007 (Maleva and Ovcharova, 2008). Its empirical base covered 32 regional subjects of Russia with 11 117 respondents. The project was called ‘Parents and children, men and women in the family and in the society’ and carried out by Independent Institute of Social Politics (NISIP). Next is described the role of the middle class by above-mentioned research paper.

The role of the Middle Class:

- the most educated and effective work power that concentrates in itself a human and a social capital of nation
- an active economical subject of consumer market; it impacts directly on the consumer market by its choices and activities
- a location in the society’s scale gives the opportunity connecting to all social groups and levels at the same time tries to stabilize the position of the middle class in society in common understanding
- the most important tax-payer and co-investor of social area
- has an economic stability, own property and is interested in stability of social, economic and financial institutions well-being
- a pioneer in learning area; An innovative approach in the economic, in the consumer behavior market and financial area is implemented to the other social stratas and other society via middle class.

(Maleva & Ovcharova 2008, 9)

THE RUSSIAN MIDDLE CLASS

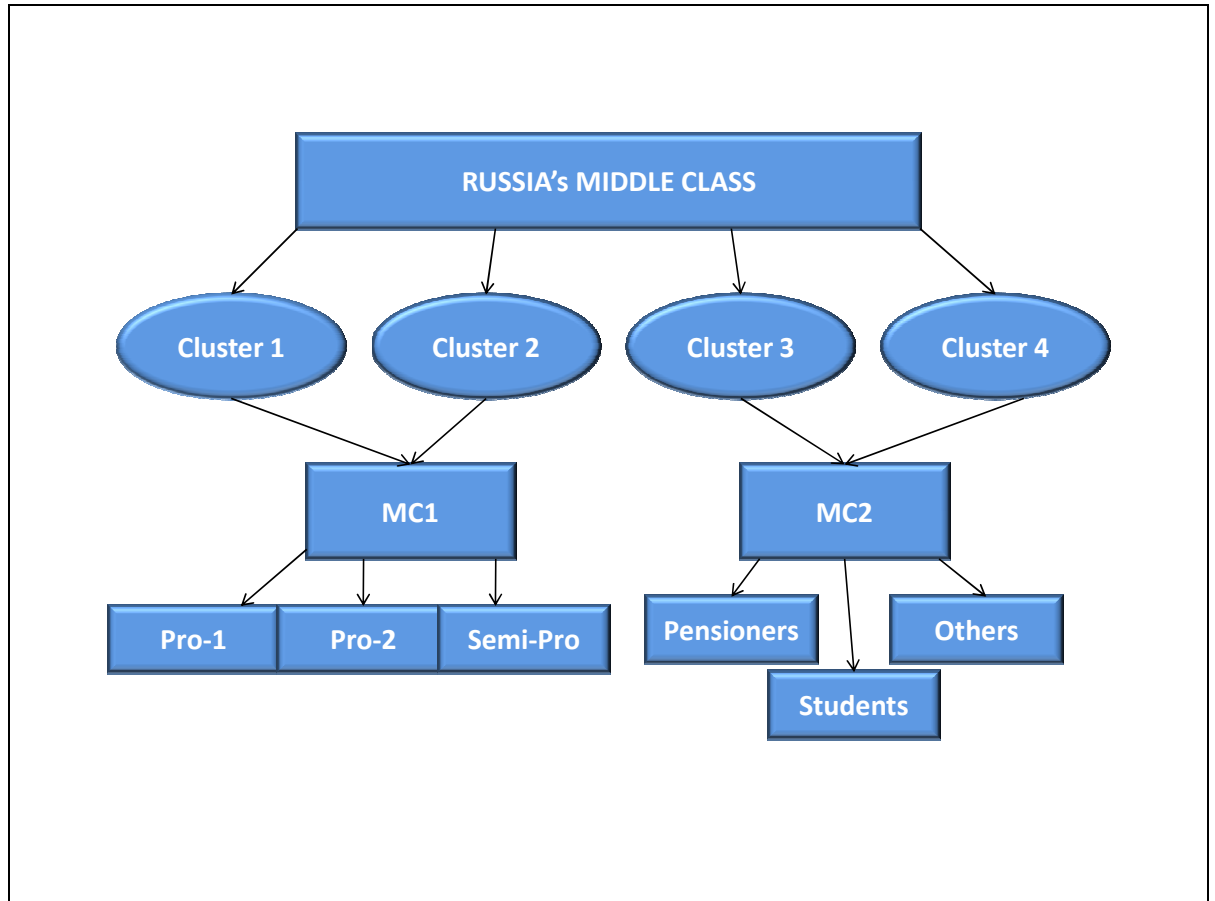


Figure 2: The author's view on the scheme of the Middle Class.

Figure 2 summarizes all the clusters, groups, sub-groups etc. of the Russian middle class that will be presented and explained further in detail by Tihonova and Mareeva, 2009. This is the first view on what will be explained in detail later.

3.2. The common characteristics of the representatives of the middle class

Tihonova and Mareeva (2009) is a collection of different sociological surveys during 1999-2009. Since the collapse of the Soviet-Union there has been an active discussion among Russian sociologists about the existence of the middle class. Discussion topics have included the size of the middle class and its internal

characteristics. Different groups of sociologists put their accent on different angles and that is why results may vary so much. In this specific monograph it is underlined that the Russian middle class is different from the Western one and it is quite multicolored from inside. The Russian middle class itself differentiates highly from the rest of social strata in society altogether. Its **specific knowledge, know-how from cultural resources** and also **the autonomy of work, a prestige of work, career possibilities** make it different from the rest of the Russian population. On its early development stage, it has some similarities with the Western middle class, but still on some sectors the Russian middle class has left its specific national cultural stigma. A governmental sector as an employer for the Russian middle classes is overruling, this heritage began from the Soviet-Union time.

According to Tihonova & Mareeva (2009, 122-123), different sociological surveys about the Russian middle class show that there are common characteristics found in the profile of middle class representatives, which are listed below:

1. Information Technology

With the topic of information technology, the survey included a section, where respondent may own personal computer or he/she uses it in work life. The frequency of using the personal computer and using it also on free time were impacting positively on this criterion. The study was also interested in what kind of information is respondent seeking and receiving from the help of PC, Internet etc.

2. Quality of work

The quality of work includes the autonomy of work, the prestige of work, the interest of work itself, the field of work etc.

3. Power-resource

With power-resource this means that the respondent has an opportunity to decide on things in his life, not only their supervisors with the manager background. The power-resource gives not only the impression of the power to decide and change one's own life but actually meaning it.

4. The life chances

The person has a totally different possibilities and opportunities to change for better direction in one's own life comparing to the rest of population. The middle class has that power in itself; they move in better direction, they are active in improving every section of their life.

5. People

The representatives of the middle classes have in their relationships people from the same rank, if it can be described so. The spouses, colleagues, friends and school mates are usually also well educated and have the same interests. The self-identification with the closer circle of connections is very evident. The identification with the intelligentsia and the middle class are common.

6. A leisure time

Person's own interest towards active life styles, which included going to the theater, to the cinema, to the museums, to the clubs, to the sport clubs, reading books, magazines, newspapers, which included interested in attending more courses or receiving additional education in some sphere, art, fashion and naturally interest toward modern and classical Russian literature, is evident.

7. Having a social capital

Having a social capital in this case means that the respondent mentioned that he/she has such social connections from which he/she can benefit. Those connections usually are wealthy people, who have a power and the money. The help, which was considered, could be seen as advice for choosing a college or in work life having a promotion.

8. Health

In general, the middle class representatives have a better level of health than the rest of population in Russia. They (middle class) are more interested in their own health, in its condition and the services related to the health. They invest in their health by checking it regularly and using a private sector medical service to guarantee the quality of receiving service.

Figure 3 below shows the image of the Russian middle class and its different groups; The Core, the periphery 1 and the periphery 2. Different sub-groups of the middle class vary by their amount of criteria for belonging to the Core/Periphery1/Periphery2. The Core means that the representative of the middle class has the maximum criteria needed and the second group of the Periphery 1 has fewer criteria fulfilled, and the third group has even fewer than the previous one. More about the levels of the middle class from inside will be further. (Tihonova & Mareeva 2009, 122-123)

THE RUSSIAN MIDDLE CLASS FROM INSIDE

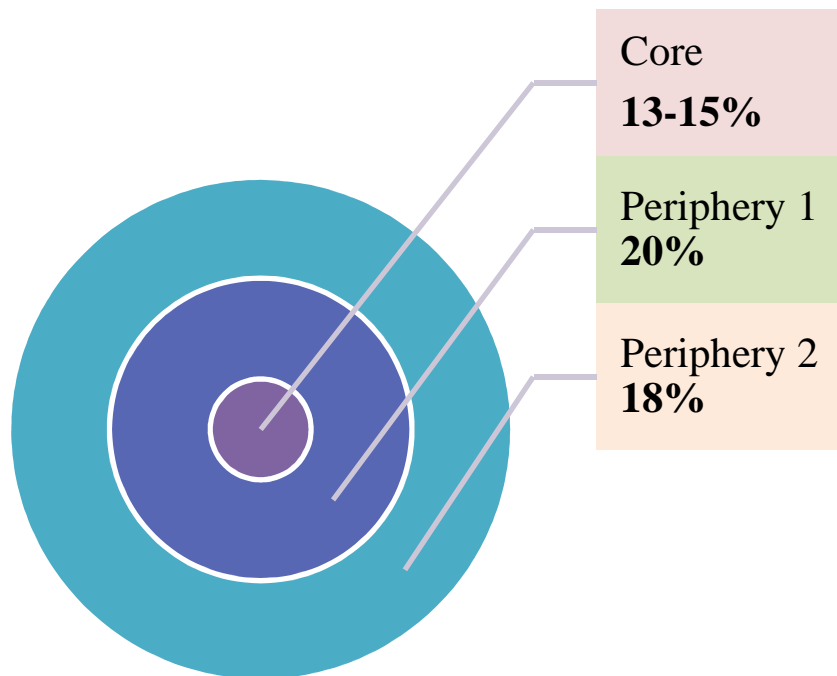


Figure3: My picture of the groups (circles) inside the Middle Class (2008, %). The closer the representative of the middle class is to the inner circle, the more valued qualities he/she has. The qualities/elements/criteria are the economic aspect, the social-professional, self-identification and cultural capital. (Tihonova & Mareeva 2009, 154)

3.3. Four criteria used in identifying the middle class

In Tihonova & Mareeva (2009) were used four different criterions to identify the middle class of Russia. The researchers explained in detail every criterion and gave as detailed as possible profile of the respondents of their surveys.

There are listed below:

1. Social-professional status
2. Cultural capital
3. Economic status
4. Self-identification

Social-professional status

The first criterion for belonging to the middle class is a social-professional status, which refers for a non-physical work. One exclusion were made and it was concerning so called 'old middle class' and the group consist of self-employed and entrepreneurs in the construction, repairing and automobile-service. There was also made an additional research about those 'blue-collar' workers of supervisor level and results show that despite the high qualification they may have, they still differentiate from all sub-groups of middle class. That is why decision was made to exclude them.

Cultural capital

The second criteria concentrate on a person's education and its level. Applying for a title of being middle class a respondent needed to have at least a college level education, in this particular case it means twelve (12) years of studying. The researchers describe it also as a professional education, which gives an opportunity to work even as managers or official's level in the ministry department. In many other studies the importance of education is highly emphasized. It has even been given metaphorical expression of being **a Key to the Middle Class**.

Economic status

This category is difficult to define, because of complexity Russia's status-wage politics. Researchers were thinking about adding an apartment, a car-extra, which could help to identify the group belonging by economical status to the middle class. In Russia's case after privatizing the apartment, this was not information that needed – the apartments were given for free. The information needed was the consistence of the current situation of society's belonging in that particular social structure of transparency. Researchers needed to have those criteria, which emphasize that this particular group of people can live that lifestyle their supposed to live by their earned wages. Still there were taken second sub-criteria of economical status and it was called 'Items of long-lasting use in household'. A small number of examples from the list of items of long-lasting use in household: TV, a mobile phone, PC, an air-conditioner, an automobile, a dish-machine etc.

Self-Identification

The self-identification criterion is the last of four used in this study. Russians were asked to place themselves in society by self-identification parameters. Own status, education level, amount of property and financial level can all influence the decision on how a person identifies himself as a member of the middle-class group. Very common and used phrase *I live like everybody else does* may describe also the mentalities of Russian people. In several articles previously mentioned the statement was indeed very common. (Tihonova & Mareeva 2009, 88-93)

3.3.1. Maleva's approach in identifying the middle class

In the previous study (Maleva, 2003) 4.000 households in the 12 regions of Russia Federation were interviewed. The numbers were not that different from the study seven years later. The 2003 study showed that ca. 20% of the Russian families belonged to the middle class altogether (a core and semi-core of MC combined together). The material-economic resources fulfilled ca. 20% of the families, 20% fulfilled the social-professional status and about 40% self-identification criteria.

Below is the picture with the percentages of the different middle classes in 2000 (see Figure 4).

Maleva's the middle classes

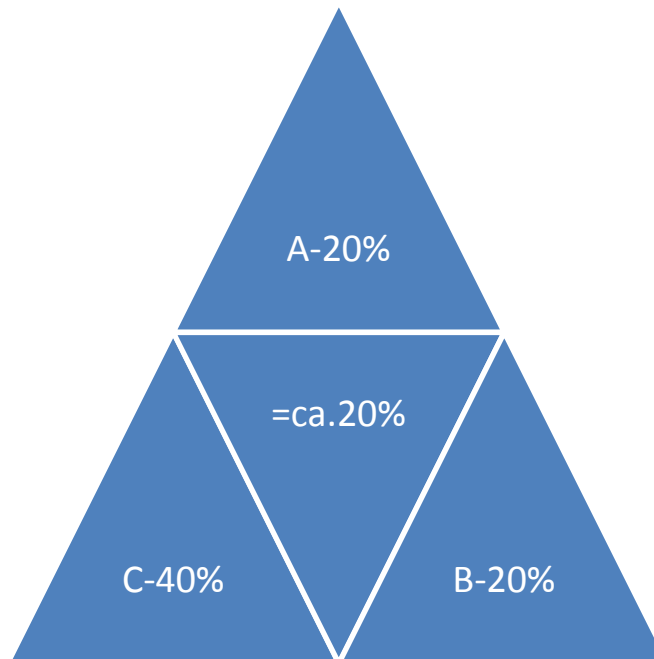


FIGURE 4: Maleva's model of the middle class in 2000.

Where **A**= the economic-material middle class, **B**= the social-professional middle class **C**= the self-identification middle class. *The subjective* middle class consist of the 20% of the families.

Different combinations of the classes:

A (economic) +B (social-professional) = 9%

B (social-professional) + C (self-identification) = 12%

C (self-identification) + A (economic) = 12%

A (economic) +B (social-professional) +C (self-identification) = 7%

(Maleva & Ovcharova 2008, 77)

Researchers (Maleva and Ovcharova, 2008) mention several times about seven year's stabile economic growth in the country, but they underline its locality, not totality. The growth was worth of mentioning in different area, locations, sectors

and fields. However, growth in the economic-material middle class of 12 percentages (20->32%) during past 7 years is more than good news for the country size of Russia (see also Table 2). A social-professional middle class changed from 9% to the 11% during 2000-2007 years, again a slight growth. The writers used methodology of 2000 in 2007 research and received that way a slight growth (Maleva & Ovcharova 2008, 79-86).

TABLE 2: The structure of middle class presented in years 2000 and in 2007, % .

Social stratas	2000y.	2007y. (criteria 2007)	2007y. (criteria 2000)
Core of MC	6,9	4,6	5,3
Semi-Core of MC	12,2	15,1	16,5
Total: General MC	19,7	19,7	21,8
Periphery	33,1	29,3	31,6
Total:	52,2	49,2	53,4

(Maleva & Ovcharova 2008, 84)

The research also shows that those representatives of middle class, whose incomes grew but who still could not enter the social-status oriented middle class; the lack of high education was the answer in those cases. From the material-economic criteria the apartment, a property, is the most wanted. From this change aspect, writers conclude the phenomenon that the weakest point for not entering the middle class is not always the economic prospect. They find that nowadays the most important criteria and resource is the human capital with education itself and the structure of work market (where the professional knowledge is accompanied with the right status) typical for the middle class.

3.3.2. Methodological approaches by Maleva's research team

In the above introduced survey managed by Maleva five different basic methodological approaches were used to define a structure of the middle class. They are listed below:

1. **The middle classes cannot be defined by one integrated criterion.** Because they (middle classes) are made of several characteristics summed up in the chain. It consists of the material-resources (incomes, property, investments etc.), of the non-material-resources (a level of the education, a professional position etc.) and of the social-comfort ability feeling (a self-identification = the adaption for the changes, life's, economic, the security feeling of tomorrow etc.)
2. **The middle class is not a homogenous and an entire social group.** There are several different middle classes; the economic middle class, the professional middle class and the subjective middle class that usually are found from a self-identification scale. All mentioned classes are overlapping each other.
3. **Different amount of criteria of belonging to MC in social groups makes the differentiated middle class.** In the ideal middle class the criteria amounts are maximized. In the core of middle class, the criteria amount is enough present. In the semi-core of middle class, the criteria amount is limited, while in the periphery only one criterion exists. These social groups have a lot in common and they still differentiate.
4. **Content and a structure of middle classes depend upon their demographical cycle.** The proto-middle class; Young people, who are yet without a high education and permanent job – they represent the future. The post-middle class; Older people, who are just retired and because of that their income level crashed, still remain the bigger part of other criteria.

5. **The potential for growing the middle class lies behind its social environment.** With that it is also important to notice the social groups that are close to the middle class. If we look up, there is the avant-garde group, an upper-middle class which is the next step for the representatives of the middle class to move. Below the middle class is the lower-middle class from where the middle class may receive new comers to its own group. (Maleva & Ovcharova 2008, 16–18)

3.4. The profile of the representative of the middle class

The researchers together with their research team mention several times the diversity of the Russian middle class; it is rather a heterogeneous than a homogenous group. From this aspect, interviewees are divided into two classes: *The Middle Class 1 (MC1)*, which represents the managers, the specialists, the entrepreneurs with a high education; *The Middle Class 2 (MC2)* that represents the representatives from governmental, trade and service sector and with specialized education. In addition to those two groups, the researchers wanted to add one more group and titled it as *Others*, where a professional status and the degree did not match with others. The Russian middle class consists of the core, periphery 1 and periphery 2 and other population group. The core of the middle class include group the middle class 1 with criteria like a high education, a generational continuity with education aspect, and close circle with relationships (a spouse, friends etc.) having also a high education (see Table 3). MC1 is a heterogeneous from inside by having a several sub-groups and MC2 is quite homogenous comparing to MC1. In western economies usually MC1 is divided into the upper-middle and the middle-middle classes and MC2 belongs to the lower-middle class. The biggest difference is *the autonomy of work* that has an upper-middle class together with a high amount of cultural capital. (Tihonova & Mareeva 2009, 94-98)

Finnish sociologist Markku Kivinen is also well known in Russia with his thesis about the autonomy of work of the representatives of the middle class. Kivinen (2004, 143-170) clearly underlines that Western and Russian professionalism differentiates with the amount of autonomy in their work and also professional positions vary. Russian specialists have clearly less power to influence (make decisions) and have fewer other power-elements relating their work environment. About future scenarios, Kivinen (ibid.) believes that the middle class needs to develop its own inner behavior model of acting and living.

The middle-middle class has some cultural capital and is working under some level of control. The work of the lower middle class involves a lack of autonomy and they have a high level of routine work. Usually dividing the middle class into upper, middle, and lower middle classes refer to the level of life differentiation but in Russian case it is not always true. There is naturally some income differentiation but a real life quality difference is hard to line in the vertical style.

Because of the transformation time in Russian society there were some nuances that even those, respondents who had some criteria for belonging to the MC1 belonged instead to MC2. The reasons are different, but for example a lack of cultural capital could be one. Also, with the lack of cultural capital those people were forced to move away from the core of middle class to the periphery area. Researchers notice that this kind of changing process was affecting also a group's social identity and insecurity in work life. (Tihonova & Mareeva 2009, 94-98)

TABLE 3: The profile of the Russian middle class in 2008 and 2009, %

Characteristics	2008		2009	
	Middle Class	Others	Middle Class	Others
AGE				
> 21 y.	5	5	6	5
22-35	10	7	10	6
26-30	14	7	12	9
31-40	22	18	24	22
41-50	25	20	24	19
51-60	15	17	16	20

61->	9	26	8	20
SEX				
Female	35	46	35	49
Male	65	54	65	51
LOCATION, now				
Megacity	13	9	19	8
City	36	23	32	23
Town	29	31	27	33
Municipality	5	6	6	6
Land	17	31	16	30
LOCATION, where school was started				
Megacity	9	6	14	5
City	27	14	24	16
Town	32	29	36	29
Municipality+land	32	51	26	50
EDUCATION, own				
High	56	12	58	17
High, ungraduated	6	2	7	3
College, specialized	38	43	35	40
Lower college	0	43	0	40
EDUCATION, parents				
both with high	19	4	22	5
one with high	16	8	21	10
one/both with college/specialized	38	29	34	29
neither had college/specialized	27	59	23	56
EDUCATION, spouse/friend				
high spouse	54	20	57	20
high friend	70	25	66	30

Table 3, displayed above, contains relevant statistical information about the different sub-groups of the middle class. The representatives of the Russian middle class have a high education (university degree) or are generally well educated. Usually their spouse or close friend has also a high degree of education, the figure is 70% with that criteria. The representatives also come from a well-educated family or where at least one of the parents is well educated. The biggest group of the middle class belongs to age group of

22-50 years, especially age 26-30. This means that these people are young, active, dynamic and in their prime age of working life. For location criterion, they prefer megacities and other big cities. If they are not originally from megacities, they might be with the great possibility they come from smaller cities and towns. Research has shown that the chances for household become a part of middle class rises when both spouses have a high degree of education: 70% of this type of households belongs to the middle class and only one of third, when it is only one spouse not both. (ibid.)

The Russian academy of science (RAN) implemented the monitoring 'Values and interests of the population in Russia' between 1990 and 2006 every year (see Table). It represented the whole Russia with 12 regions and ca. 100 opened and closed questions. Every time during the monitoring was interviewed approximately 1100-1500 respondents. The head of the monitoring program was Lapin N.I. and one of the leading the middle class expert was Ph.D. Beliaeva L.A. Their views support other researchers' views that the representative of the middle class should be a more privileged group of the paid employees. They argue that in the future the more valued resources for the middle class will be their professional status and strategies than their property level. Beliaeva (2007, 4) describes "*the middle class as a real social group that is developed in the society and follows the journey of the modernization*". She argues that in the developed society there is a clear need for the professional, motivated personnel and their knowledge. In return the society will reward them financially adequately. In their work of formulation the Russian middle class they noticed that in the beginning the growth was slow, but it increased with the growth of the economy, the development of the service sector and the highlight of the Information Technology industry. Beliaeva does not wonder why other sociologists are interested in the economic criteria of the middle class, but wants to put weight on the aspect of 'Why the middle class choose particular life style and is it using own cultural capital for getting where it want to be?'. Lapin's work used the social-self-identification, the economic and the professional status criteria to identify the group of the middle class. They believe that in 1998 was a crucial point when this particular group represented the 9,4% of the interviewed represented and had above mentioned criteria. Year 2002 showed 14% and 2006 already 22%, the growth with a percent per year at first and then with two showed some positive

signs until the world wide economic crisis (see Table 4). (Beliaeva, 2007, 3-13; Lapin, 2003, 78-87)

TABLE 4 ‘Do you think you and your family’s life will be better, same or worse in the near future?’ (The replied respondents during 1990-2006, %). (Beliaeva 2007, 9)

Description	1990	1994	1998	2006
Life will be better	13	16,5	12	30
Nothing changes	23	36,6	31	43
Life will be worse	34	36,4	32	5
Do not know	30	10,6	25	22

3.5. The middle class from inside

3.5.1. Two classes, four clusters

As already mentioned above, the research team divided the Russian Middle class into two different classes with their sub-groups inside. First the middle class will be marked as the **Middle Class 1** and second part of it as the **Middle Class 2**, beside MC1 and MC2 there will be a group called the **Others**, which is not a part of the Russian middle class. As shown in Table 4; middle class 1 consists of 53% economically active representatives of the middle class, while the middle class 2 represented only with 32% of economically active representatives of the middle class (see Table 5). Two middle classes (1 and 2) had two occupational clusters per each included. (Tihonova & Mareeva 2009, 119)

The Middle Class 1

1. Specialists, government workers
2. The actual middle class

Middle Class 2

3. The comers from below
4. Assisting personnel-self-employed

TABLE 5: Two sub-groups presented in the middle class during 2003-2009, % (Tihonova & Mareeva 2009, 119).

Sub-groups of MCs	2003	2008	2009
The Middle Class 1	56%	53%	57%
The Middle Class 2	22%	32%	28%
Others	22%	15%	15%

In 2003 the part of the middle class 1 number of working middle class was 56% in general. The middle class 2 was presented with 22% and same amount in group Others. Five years later the group of the middle class 1 declined to 53% and the middle class 2 increased itself by 10 percentage units to 32%, the Others was presented as 15% of working middle class. This scene can be seen as from one side as declining one marginal group Others from 22% to 15% and stayed there as a sign to concluding the transformation process of society. Then again almost 1.5 time's increase of the representatives in the group of middle class 2 (from 22% to 32%) explains that the periphery group got larger. In 2009 the percentages are divided between there groups 57% (+4%), 28% (-4%) and 15% (+-0%), with above mentioned percentages showing that the middle class 2 and others have both, comparing to its core (middle class 1) a periphery characterized structure. Beliaeva explains how the Russian middle class understands that their changed and improved life is directly correlating with the reforms of last past 15 years in the country. The representatives of the middle class comparing with other part of the population was twice more satisfied with the reforms and changes. (Beliaeva 2007, 10; Tihonova & Mareeva 2009, 119)

Those four different hierarchical clusters inside the middle classes 1 and 2 (ibid.) were calculated by ten different varying changing elements in below mentioned category:

- Economic resource; having own business, income from one's own business for the whole family, income from the property etc.
- Power resource; a possibility to make decisions in work life, in one's own department or even bigger organization aspect etc.
- Qualification resource; a level of education, know-how to use a personal computer, a foreign language knowledge, upgrading one's own educational qualifications during last three years etc.
- Cultural resource; the environment of socialization, education level of parents, a type of location where defendant started school etc.
- In four clusters the amount of persons presented is: 72,196, 89 and 127.

Shkaratan and Iljin (2006) used almost the same criteria as Maleva's team: the economic, the social-professional and the self-identification, but they added for the fourth as the quality of life. Without the fourth element their figure of the Russian middle class was just a little bit above 15%. With the element of the quality life meaning the respondent has an opportunity of using the paid services (the medicine services, the educational services, the leisure time etc.) together with some cultural items at home like a library the figure diminished until 7%. In Maleva's research (2003) the core (all criteria fulfilled) of the middle class was indeed the same amount Shkaratan and Iljin received with their techniques. The monitoring study of Lapin (1990-2006) during past 16 years including four researchers, offered possibility to notice the differences and changes in people's lives. The reason for that is the technique and the questions were used in the monitoring were the same. While in other researchers and monitoring it is difficult to find the red line. (Shkaratan & Iljin 2006, 199-200). What is interesting in analyzing the Russian middle class is that in year 2003 and 2011 the amount of the representatives of the middle class still vary between 7% until 30%, depending on what criteria are used in identifying it (see Berezin 2010, 2011).

3.5.2. Four clusters

Four Clusters of the representatives of the Middle class are explained below. The percentages are from the whole middle class group.

1. Specialists-government workers (41%)

The specialists-government workers differ from other clusters by their level of education. Most of them had a higher education and 7% had even a second degree. A cultural resource was highly presented, 80% was raised in the family where at least one of the parents had a specialized education. In this group researchers found the most intensive migration happening from smaller cities to the mega-cities, which gives them more possibilities and opportunities for example in work life.

From occupational side 89% from this group defines themselves as a specialist, entrepreneurs and self-employed were missing totally and the representatives from the trade sector were only 7%. In power resource section 59% said they could do decisions and 11% mentioned power resource on the level of organization. 2/3 was females in this cluster with 66% working in the governmental sector.

2. The actual middle class (18%)

Sociologists together with their research team found this cluster extremely colorful and multifaceted. This is only cluster where males were presented with majority (54%) and age varied representing 2/3 from it 30-50y., 27% were younger than 30years and the other older than 50 years. Like previous cluster (specialists-government-workers), this did not had the representatives of entrepreneurs but this group was interested in having own business. In cultural resource section this group (2/3) had its first socialization in large and medium sized cities. Same amount (2/3) had at least one of the parents having a high education and just a little bit over 1/3 had both parents high education.

Over half (55%) of the real middle class cluster were specialists by their occupational-professional profile. The managers were accounted for 21% and

entrepreneurs for 6%. In government sector worked 35% of respondents 30% in private-public sector and 24% privatized sector.

3. The Exciters (26%)

The most powerful element in this particular group of the representatives of the middle class is a stage and environment of socialization, meaning that they are the first wave in their family representing the middle class. A half of this group parents' did not have even a specialized education. Almost half of this group was born in the countryside, not in the cities. 96% of respondents had specialized medium education and 4% had a higher education, but not completed. Over a half (52%) in this cluster unlike in the other three - did not used a personal computer at all, which was surprising to the research team. Also a power resource was denied in 69% of cases in own work environment, again, the highest value among all clusters. As for occupational environment, 41% were working in the trade field, 40% as a technical workers and rest of this cluster were managers either in the medium or the low level.

Females accounted for 80%, and again in this group, the spouse's education was most often lacking, even medium specialized one. Researchers found this cluster as a marginal one, because of its non-character criteria for middle class. That is the reason why this cluster is not included in the core of middle class, but in the periphery of the middle class.

4. Assisting personnel-self-employed (14%)

Cluster number 4 had a medium specialized education in 89% of cases and 11% non-completed high education. When analyzing this group from point of cultural resource, it then had quite a high level. Only less than one of fifth (17%) was raised in family where at least one of the parents did not had a specialized education. Three of four used a personal computer and that again proved a high cultural resource. As for the occupational sector, 38% were in trade sector, 32% were line workers and 10% managers of low or medium level workers.

The power resource (can influence on something/making decisions) showed figure 40% in one's own personal work field and 24% mentioned on company level which can be explained by segment of self-employed in this particular cluster. It was also one of four clusters were working on government sector was not dominated (29%). Two of three were female in this group and usually with a spouse with a low level of education. If the clusters 3 and 4 are combined, we will receive 40% of the middle class in general. These two groups belong definitely more to the periphery than to the core of the middle class. In their relationship circles they had more than usually spouses, friends, relatives, colleagues with medium specialized education for most.

The four clusters are analyzed not from the income point view, but a level of quality life middle classes comparing to other social groups in society. The criteria were having/lacking a high education, a professional status and a cultural capital. The four clusters can be divided into two groups:

- a group with specialists, managers, directors and entrepreneurs; with high level of capital resources (Cluster 1 and 2)
- a group with representatives of trade and service field, line workers, self-employed people with medium specialized education; with quite limited cultural capital (Cluster 3 and 4)

(Tihonova & Mareeva 2009, 103-108)

Simonyan (2009) argues that the most important criteria for belonging to the middle class are not the economic aspects but the social-political. Simonyan argues that besides the economic wellbeing, other elements become to the people more and more important. They are freedom, individualism, a creativeness, having a comfortable social environment, safety and the ability of having impact on own time. He expresses his dissatisfaction with those economists, who claim that the middle class is the household with two cars. With that, for example, some criminals or others, who are dealing with the shadow economy and so, belong automatically to the middle class with their access to money. Simonyan explains how in Saint-Petersburg area the respondents of different sociological surveys concerning the existence of the middle class suggest that the

middle class is the entrepreneurs and the owners of the small businesses. The same respondents no longer see the group of doctors, teachers, engineers, lawyers as the representative of the middle class. Simonyan refuses to believe that the Russian consuming middle class is that large as it is promoted in the Russian media, but with the different approaches he replies that is mentioned to be between 20% and 60%. He mentions one not-that-common criterion for identifying the middle class of Russia. It is the international passport, which enables to travel abroad (eg. a vacation resorts Egypt, Turkey, Finland etc.). The figure from the whole population is 6% (8.5 million - 2007), which indeed is not that large. (Simonyan 2009, 55-61)

Figure 5 shows how in different groups of the middle class are presented the improvements of life-style. The respondents were asked if their life has been financially improved, have they had a promotion or a new job opportunity. Others asked questions were about possibilities of travel abroad, educate them and make an expensive shopping. The inquired information was asked during past three years from 2008, %.

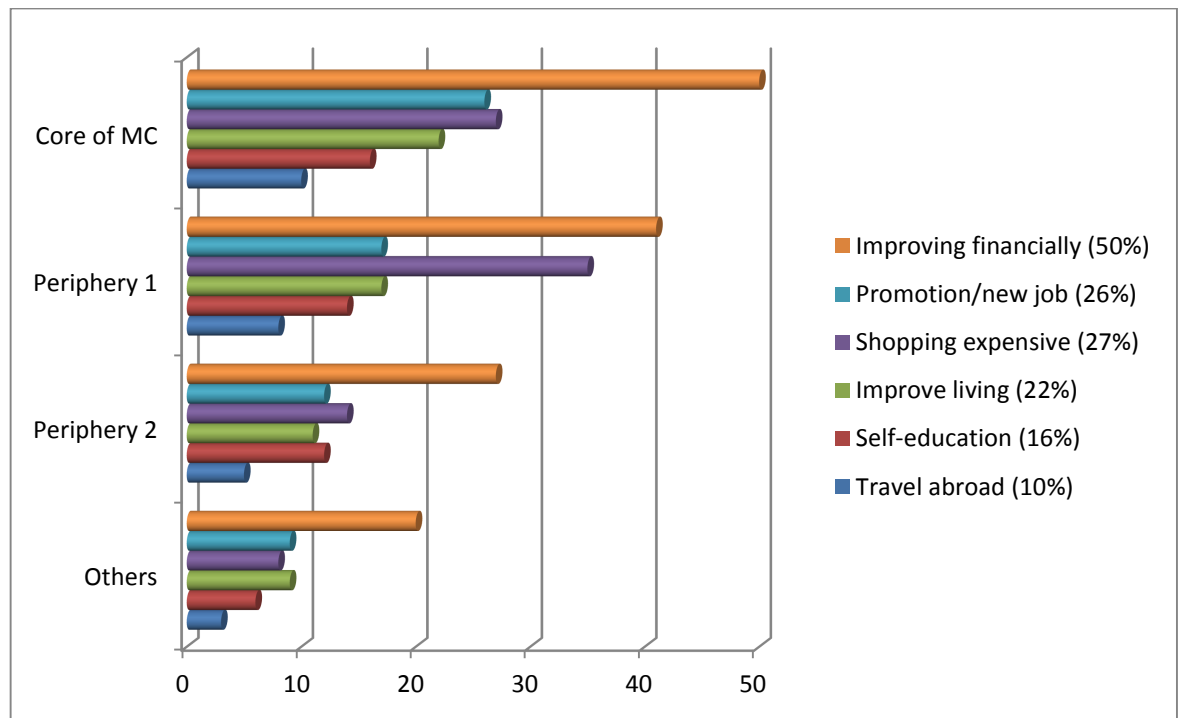


FIGURE 5: Life styles and consumer behavior. The percentages given in the parentheses introduce a category of the core of the middle class. (Tihonova & Mareeva 2009, 212).

3.5.3. The groups inside the classes

The representatives of the Middle class 1 have all needed criteria for belonging to the group of core. The MC2 miss some criteria for belonging to the core, but it has an important role as a supplier of new comers to the Middle class 1 (see Figure 5). It is a normal and well-known phenomenon in the world of social a stratum that those belonging to the middle class still want to improve their stages and that is why a self-development is essential. The structural positions in the Middle class 1 are divided between groups like: Professional 1, Professional 2 and Semiprofessional.

Professional 1

- This group accounts for 10% of whole Middle class
- a high qualified professional
- a rare knowledge and know-how especially in Russia
- a foreign language skills
- a high cultural capital in Russia
- a high job vacancy (management)
- big cities, mega-cities
- an autonomy of work
- a prestigious work place
- a career growth possibilities
- only group, where ‘a social contract’ is founded (benefits from work -> apartment, medicine services)
- 80% of married members/representatives had a spouse with a higher education
- 2/3 had parents with a higher education
- belong to the core of the Russian middle class

Professional 2

- 30% of the Middle class
- 60% of the Middle class 1
- a massive intelligentsia / an intelligentsia in the first generation
- usually from small cities or country side, later moved to bigger cities
- their parents are without higher education

- they are with a higher education
- **they are the face of MC1**
- the specialists, who work in the economical sector
- the incomes and bonuses are more lower than the Professional 1 have
- the newcomers from Middle class 2
- a majority have a spouse, friends with high education
- a group that is located very close to periphery line still belonging to the core of the middle class

Semiprofessional

- 7% of the Middle class
- their parents are without high education
- they are with a high education
- a structural positions as professionals in work life
- less appreciated work positions than Professionals 1 and Professionals 2
- usually from small cities and countryside and stayed there until now
- differs from other two groups by excluding working with information technology totally
- belong to the closer periphery of the core middle class
- friends are usually with high education, but spouses only in 40% of the cases
- 2/3 of this group belongs to the middle class

Others

- 12% of the whole middle class
- pensioners (when a person retires incomes fall down, but education is still high), students (are having a high education but not regular incomes yet), others non-working (temporarily jobless)
- people, whose formal status is not correspond to their formal education level
- a closer periphery
- a part of Russian middle class

(Tihonova & Mareeva 2009, 146-152)

3.6. Summary

The Russian middle class is indeed different from other groups inside the society. That is why it has been divided into three categories of classes. The Middle Class 1 represents the managers, the specialists, the entrepreneurs with a high education. The Middle Class 2 indeed the representatives from governmental, trade- and service sector and with medium specialized education. The third group is the Others that also belongs to the middle class, but where the professional status and education do not correspond those of others. The representatives of the Russian middle class have a high education and are generally well educated. Their closer circle of people e.g. a spouse or a close friend has also a university degree (it covers with 2/3). The representatives also come from well-educated family or where at least one of the parents has a university degree/higher education. The biggest group of the middle class belongs to the age group of 26-30. These people are young, active, dynamic and in their prime age of working life. For living option they prefer to select megacities or other big cities. The hierarchical clusters inside of the middle classes 1 and 2 were calculated by ten different varying changing criteria. They were the economic, the qualification, the power and the cultural resources with added variations. Four clusters of the middle class were analyzed by the level of quality life while comparing to other social groups in the society. Those clusters were divided into two groups, where the first one gathered together the specialists, the managers, the directors and the entrepreneurs with a high level of capital resources (Cluster 1 and 2). The second group indeed collected the representative of trade and service field with a specialized education - these people's cultural capital is quite limited (Cluster 3 and 4). Russian specialists have clearly less an ability to make decisions and other power element related in their work environment. The next chapter will be presenting the case study from Saint-Petersburg's middle class and its consumer behavior together with the view on the future.

4. THE CONSUMER BEHAVIOR: CASE FROM SAINT-PETERSBURG

4.1. Background of the cases

In the research article of 'The Consumer behavior styles of Saint-Petersburg's middle class: From a lack economy to the new way of consume' Gladarev and Tsinman (2007, 61-81) use two different socio-economic projects as empirical data bases. In the first one 68 in-depth interviews were made with the representatives of modern middle class and the project was part of co-operation work between European university in Saint-Petersburg and Research university of Helsinki during 2005-06. The second project was carried out earlier (1999-2000) by group of German researchers and with 90 in-depth interviews with those who identified themselves as Soviet Union's middle class.

Another research article by Gerasimova, Gromova and Shpara (2005) suggest that these people know how to earn and spend their money. By going even further the researchers explain: people have a conscious or unconscious way of behavior by showing their belonging to 'quite well-earning group' by special way of behaving, a life-style and other material messages they sent. (Gerasimova M.V. et al, 2005, 167-175)

4.2. Three groups of consumer behavior styles

The Soviet Union's middle class worked almost 100% in the government sector but the respondents that are participating in these projects worked almost 100% in the private sector. The private sector demands definitely more professionalism, intensity and worker's time, but in return it rewards with the higher salary than in government sector. 'Another world' was an expression, which a 30-years old translator lady described today's life. Writers continue by explaining what 'another world' means, it means that in this particular world you have freedom to decide, not being dictated

by government what to do and buy. It includes new life styles; new organizations of daily life and by those writers choose three group of consuming behavior styles:

1. Style that prefers to invest in future preferences. The main areas in which the investments flow: **property, education (own and children's) and health;**
2. People, who represent here the post-soviet middle class, see themselves as representatives of privileged consuming class. Saint-Petersburg's middle class orientate themselves often on Western style of middle classes (Europe, USA), but also to the Russian history of bourgeoisie in 18th century. The middle class always look up in the stratification scale.
3. In everyday consuming behavior this particular group may find themselves in the segment of 'soviet union intelligentsia'. These people underline their consuming especially in cultural area: they love to go to museums, walking on Sundays through all Russian poets' parks and other cultural events (Gladarev & Tsinman 2007).

Gerasimova (2005, 167-175) together with her research team underlines five different criteria in identifying the essence of the middle class in Saint-Petersburg. They are listed below:

1. Having a good work with good salary and a pleasant atmosphere
2. Using PC for receiving desired information
3. Possibility of a vacation abroad
4. Making purchases – using money not only for the most necessary
5. Using the services from the bank sector

4.3. The income level

Criteria for identifying the middle class are: an income, a level of education and a self-identification. The forth one is in this article the specific style of consume behavior. The most of Russian sociologist find in their works some difficulty in finding the correct answers in income part. The reason is simple; the respondents usually give a lower amount of income what they actually receive. And they also prefer to stay silent about their possible other incomes, which in this case stays

‘in shadow’. The variety of income level per person per month in household might be from RUB 3 700 until 12 000; this variety describes the whole country (Gladarev & Tsinman, 2007). For the Russians ‘middle’ not only the amount of income is important, they might find even more important its regularity and stability. For them is also familiar ‘counting their money’, but not obsessively - they are willing ‘exchange’ money for their spare time. Below example from the ‘cottage construction work-case’:

‘Well, if we speak about prices and where you can find the cheaper option for work, earlier I was familiar with that and now I don’t have time for it. ...They (construction workers) have not the cheapest prices, maybe the middle ones, but they do what they promise. And therefore I have time for myself.’ (Female 40y., a high education, a housewife (Gladarev & Tsinman 2007, 65)

Berezin (2011) reveals the next facts about the income levels of the middle class. His figures vary enormously from the Gladarev and Tsinmann cases and the reason is the inflation (4 x times) of the country’s economy. He suggests that the income of the middle class should count 2-2.5 times bigger than minimum living costs. With this he suggests that everybody with the income gap between RUB 15 000 and RUB 100 000 belong to the Russian middle class (per capita/per month). Over RUB 100 000 is still no more than 1% of the population. He reminds that the economy’s inflation multiplied the average salary four times during the past years (e.g. the minimum salary was ca. RUB 4 000). The interview with the same person year earlier gave below mentioned figures with the representatives of the middle class (see Table 6). Berezin (ibid.) describes that in Russia the sociologists’ view on the amount of the representatives of the middle class vary between 7% and 30%, depending which criteria are in used. If the question is about people’s possibilities to travel abroad then the figure is smaller in comparing with the car-criteria.

TABLE 6: How the income levels of the Russian middle class has changed during 2008 and 2010 per capita/month by Berezin (2010).

The middle class	2008	2009	2010
The upper-middle class	22.500-54.000RUB	25.000-60.000RUB	27.500-66.000RUB
The lower-middle class	13.500-22.500RUB	15.000-25.000RUB	16.500-27.500RUB

4.4. Education

The level of education is the second important criteria in identifying process. The interviewees underline that the education should be preferable higher level and the quality is also very important element. They are more than ready to invest in their education and the education of their children. The education with high profile of quality in the specific area is a guaranty of professional and economical success and not to mention own self-development.

‘Without good and high quality education there are difficulties in finding proper job. A self-realization is not possible without education.....to be an interesting for yourself and others’ (female, 39y., a high education, Director of commercial company (Gladarev & Tsinman 2007, 66)

‘We used a lot of time in choosing the right school....We visited several schools. We didn’t want 30 or 40 pupils in class, we wanted definitely less. We get know the teachers the education system. When the atmosphere in school is good, you actually can feel it.’ (Female, 36y., 3 high degrees, co-owner of Trade Company)

The majority of respondents from both projects had a high education, some of them even several degrees. As mentioned before for the Russian middle class receiving high education is extremely important, not only for themselves but also for their children. This sector of investing is something that they are willing to pay and see it as a key for improved job opportunities and self development. Children are advised and prepared to start their personal development as young as possible, for example in different type of hobby clubs that are developing child’s various skills. Some of the middle class parents

found stupid saving money on children's education even though it was not always cheap.

'I really would like to invest my money in children's education, I really want them have a high education.' (Female, 39y., a high education, director of Trade Company (Gladarev & Tsinman 2007, 72)

Usually parents use their large scale network in finding good schools, universities, hobbies, teachers and others important factors in education segment. After they found what they have been looking they start collecting even more information and analyzing it and after that maybe comparing with something else and do the decisions.

'In month per child....without clothes expenses....only education and hobbies....it takes about 500USD.' (Female, 30y., a high education, a lecturer (Gladarev & Tsinman 2007, 73)

4.5. The self-identification

The criteria of a self-identification explain where the interviewed person sees him/herself in the society's classes. How person distances himself from the rich and poor groups? In fact it is very important marker when person can position himself in the scale and see his own place. It is always economic limits or cultural aspects that are included also. This is an example of person's economic positioning (Gladarev & Tsinman, 2007):

'We are not the new-Russians. We cannot offer to our nanny a 12 hours workday and pay her starting from 300US or 400-500US per month. Our incomes are quite middle ones.' (Female, 32y., a high education, PR-manager p.66)

Berezin (2010, 2011) describes the group of the Russians (almost the half of population with 48% of the population), who have identified themselves to the middle class. They explain their own belonging with the idea 'we are not poor and neither rich', with this they found their own place in the middle of the society. They can afford their living, eating costs and they also have the opportunity of doing something on their leisure time.

Berezin continues that no one can deny them of thinking to belonging to the middle of the society. People identify themselves in stratification line by economic status (a level and stability income) and cultural (a level of education) significance. This one refers to cultural limits positioning self higher than opponent. The question was made about requirements to the nanny position:

'Well, I do not have any specific requirements...not to the age, not to the physical appearance...Maybe the most important would be that she is not too nervous...And maybe some intellectual level also...Sometimes I receive applicants from the country side and I can't stand those...with their annoying pronouncing and some of them are not taking care of personal hygiene as they should be....For example one nanny had a terrible smell of sweat, she entered the room and the whole room was smelling..How you can stand with this? Well, maybe if you haven't any choice then for while.' (Female, 30y., a high education, a lecturer (Gladarev & Tsinman 2007, 66)

4.6. Property

Property is a high priority of consuming behavior of Russians middle class. Berezin (2011) express his worries about the home market of Russia. He explains that in Russia renting apartment is much more expensive than in other countries of Europe. As many different sub-groups of the middle class there exists as many lifestyles there might be found. Researchers chose from different property items the following: Apartment, Cottage with land, Car and Garage (see Figure 6). After analyzing different items of property we can evidently see that the core of middle class is better equipped than other groups. Especially the automobile category shows that having car in the core middle class is very common (67%) and more than that 6% of middle class households have also a second car. It seems that a car is some kind of sign of belonging to the middle class of Russia. When talking about a living space in Russia then this is something where Russian and western middle classes differentiates. The representatives of middle class own their apartments but the problem is that they lack of m² space comparing to the amount of inhabitants per apartment. In their case they may improve their living by change the apartment to the bigger. Some

other arrangements between relatives are also met such as dividing apartments or received money from it, which enable to purchase own, bigger home. The heritage is also one alternative where family have an opportunity to change own living level for better one. But still every tenth representative of middle class lives in a shared apartment called 'kommunalka' (kitchen and bathroom are shared with others).with strangers (Tihonova & Mareeva 2009, 158-161)

For interviewees the important is not only the buying of property but also its construction work, customizing for it for one's own needs and naturally decorating. Russians love all beautiful things, not only clothes etc., the home decorations with unique furniture pieces are very desirable. Details are very important; our respondents are willing to call from 20 different stores something specific. Saint-Petersburg's decoration and furniture market are offering options to choose for different tastes. Today's representatives of middle class are able to use all information they receive to analyze information about product or service, compare prices, qualities, a level of services and their time.

The most important and used property items owned by the representatives of the middle class and others, 2008 (%).

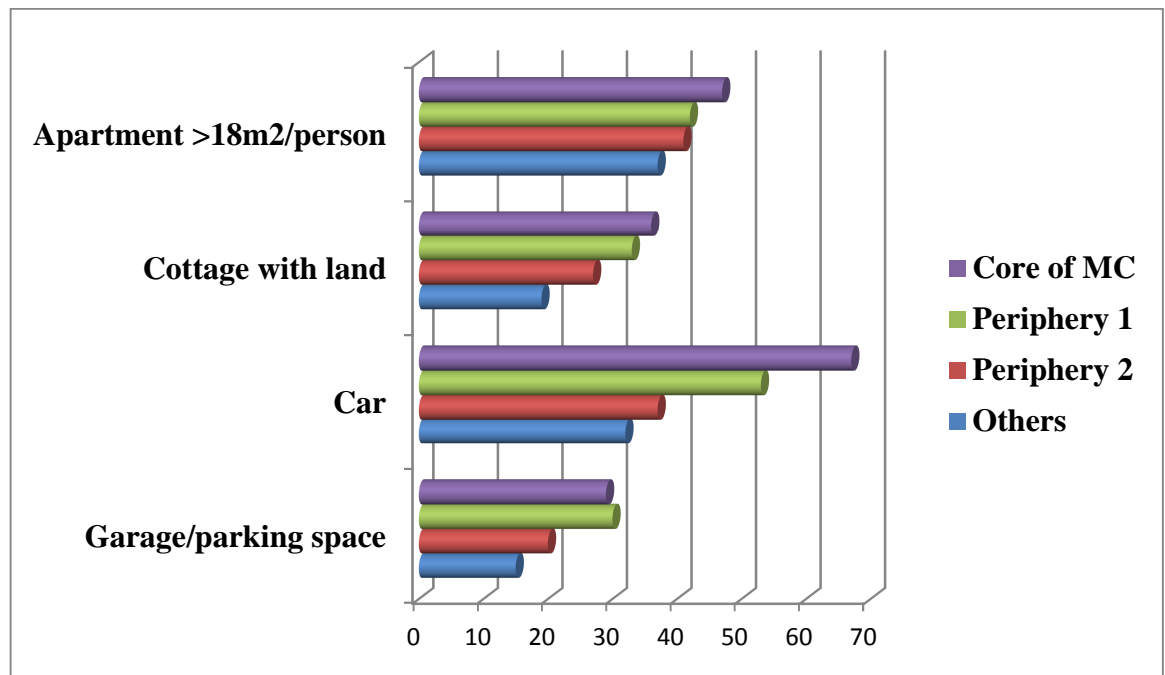


Figure 6: Life-style and property items owned by the Russian middle class. (Tihonova & Mareeva 2009, 158)

With years of common living (ex. 'kommunalka') with strangers and common living with several generations in one household definitely underline a new way of thinking about own living place and space. A 29-year old lawyer from big sourcing company says: 'Better to live close but not together'. And naturally when you have an opportunity for that you try to accomplish that Dream. Great amount of other sociological sources underlines that as a car so as well as constructed and furnished apartment are the signs of belonging to the middle class of modern Russia. The home needs to be one's own, a safe territory, where time and energy are invested in. In very several Russians homes you may found an extra iron door made by order and the same with the windows – they show outside how much home is protected from the outside world and maybe even loving relatives (Gladarev & Tsinman, 2007, 69).

The first example is from the project 1999-2000, where the 'soviet union' spirit doing by your own and waiting in line their own time for receiving something is easily sensible.

'We waited in line own apartment for 12 years. We were ready for anything and we were ready to work with own hands later. There are no words for our happiness by having own walls.' (Male, 53y., a high education, a doctor p.69)

'Own house – it is very important. It is what we really want, maybe bigger one would be very nice, but in our city it is very expensive. We would like to have a separate house without neighbors.' (Female, 36y., 2 high educations, co-owner in Production Company of furniture p.69)

4.7. The leisure time

The leisure time and how it is spent correlates directly with the quality of life. It is indeed an important indicator of satisfactory person's life and his/her succeeding in the society overall. The leisure aspect in an individual's life is as important as the level of education and an economic wealth – all are influencing in person's self-identification. How the representative of middle class decides to spend his/her leisure time depends on his belonging to a professional and classification

group/category, where age and marital status (family or not) have also an impact. The tendency of leisure time has been changing to more active way of spending own time and it also has multi-optional shades of doing things with the help of high technology. Davydova's (2008, 90-100) research about middle class leisure time shows that the middle class are more satisfied with its leisure time than other population. Russians approach to the leisure time contains their old traditions, learned habits and new possibilities, which arrived with the market economy. The biggest difference in the leisure type of time is, if a person has an opportunity of investing money in his leisure time or not. When the person has money, he directs out of home environment to gain some experiences and when he is lacking economic possibilities, he stays at home.

Styles of the leisure time:

Ordinary - Usually means being at home and without consuming money; reading, watching a TV, doing housework, doing nothing and without social activity outside the home. (From the middle class 10% answered this category for choosing leisure time activities.)

Traditional: - Usually still at home, but adding to above mentioned items; listening music, using PC, using Internet, watching Discovery Channel, a self development, hobbies and having a social networks outside the home. (37% from middle class chose the traditional style of leisure time)

Active: - This style will be identifying the middle class of improving their quality life via leisure time. Includes activities out of home environment and they are most often payable. Those might be from the cultural sector: a theatre, a cinema, a concert, a ballet, an opera, a club, a restaurant, a café etc. Or from a well-being sector: a spa center, different types of health procedures and other social activity sectors. (53% from middle class chose the active style of leisure time)

Davydova (2008) suggests that when moving down on social stairs (from upper-middle class to middle class or lower-middle class), the more possible people are not spending their leisure time with active style meaning having a possibility to consume money on themselves and their well-being. The majority of respondents as a whole find an ordinary and traditional style of leisure time still very popular. Then

the leisure activities out of home may divide in two sub-groups: First, are those who are interested in entertaining themselves and then there are, those who are interested in developing themselves or impacting on things for example politically. Some significant changes in the leisure time area are the middle class growing interest towards sport activities and using of PC. When the author of research inquired with the example of hypotheses what respondent would do with a large of sum of money, besides improving economically their way of life, there was also a mention about a high quality of leisure activities as travelling abroad etc. The study shows that especially the middle class would invest in their leisure time and travel abroad, while lower classes would use same money with repairing projects at home.

Even though the representatives of middle class promote the active style of leisure time more than other population then there is a new problem occurring. Because of their occupancy with professional life they start lacking with free time. When they have possibility of leisure time, they are ready to spend and consume some extra money on it – they want a high quality and experiences. This indeed has flourished and developed the tourism and hospitality industry in the country. Another important aspect about ‘young’ representatives of the middle class is that educating one demand more time and last for a longer period than previous generation had. Actually these studying students (younger middle class) are huge consumer of active style of leisure time – the biggest part of their leisure time is usually out of home environment and usually it costs (cafes, clubs, travelling etc.). Since beginning of millennium the interest toward activity style of leisure time has doubled from the end of 1990s and its tendency keeps increasing. Worth mentioning is also a decreasing amount of spent time with other people – this directly comes from the high technology and modernization of population. (Davydova 2008, 90-100)

4.8. The health of the middle class

‘Russia needs a civil society with the stable middle class that is a health-conscious and able to create a culture based on a healthy lifestyle in order to change the current practices that have led Russia to this condition. In Western countries especially the upper-middle class, is the source of healthy lifestyles. The upper-middle upper-

classes are also the first to learn of new health risks and probably to adopt a new way of living.’ (Cockerham 2006, 64-67)

Analyzing own health in the Good, Satisfied, Bad –categories the representatives of the middle class had an opportunity of analyzing theirs (see Figure 7). As it can be seen clearly in the core of the middle class is the biggest amount of Good health and the smallest part of Bad health. The more educated person is, the more information he has of his health and risks that can be prevented. In other groups of the middle class Satisfied-alternative grows and even the Bad-one while Good is still represented only at the highest in the core of the middle class.

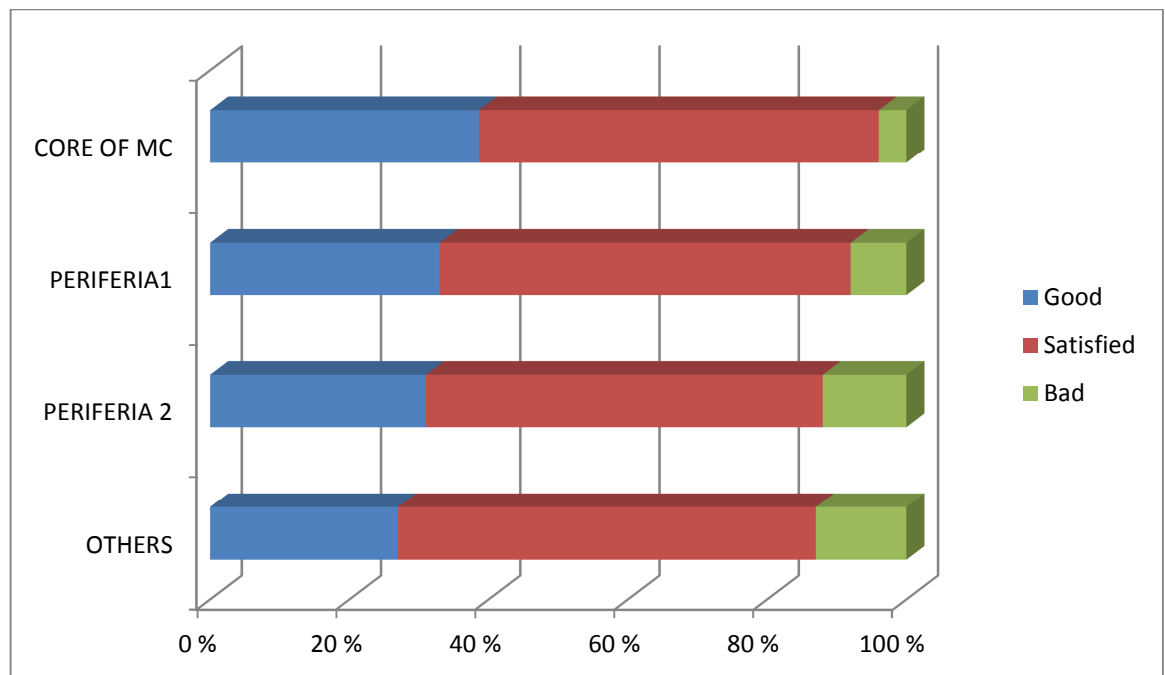


Figure7: A Personal evaluation of own health in different social groups (2008), %.

(Tihonova & Mareeva 2009, 200)

4.9. Summary

The property, education and the people’s own health are the subjects in which the interviewed are willing to invest. Because of the intensity and stress level in work life, people buy different styles of health & medical products and services including also a physical hobbies possibility. Many of respondents do not trust or want to use

free medicine, because in their opinion when it is free, then it is not of a high quality. In the Soviet time finding a good doctor also required a network. In addition, even though medical services then were free, still it was common to bring a doctor sweets or something else as a token of gratitude. Now when there is a payable alternative for medical services, respondents find it much easier. As a client he is paying for services and without any chocolate bars, but for them also the professionalism of the doctor is in high priority of the demand list. The respondents find investing in health something that should be done regularly and that is not a right place to bargain. Investing in property, education and health are alongside the basic consumer behavior (food and clothes) the main areas, where the middle class invest and are willing to invest their capital. When it comes to the leisure time, money speaks. People, who have extra money, are interested in investing them on their leisure time with different level of activities. Those might be a cinema or a concert, or enjoying a meal at the restaurant or what every middle class representative still cannot do is travel abroad, but still it is one category in the leisure time. Russians would use extra money for travelling or their well-being, if they suddenly would receive a large sum of money. Research also showed that a home environment with free-of-charge activities (reading, TV watching etc.) are still popular in Russia. The post-soviet middle class slowly moves from basic consuming behavior to behavior where it can underline its status. The Soviet time middle class characteristics (apartment, car and cottage) changed for something total different – education and health and respectable way of consume their leisure time in cultural activities. Even though the Russian middle class is almost two decades old, it is still in transitional stage and continues finding its own form. This forming class takes their models from upper level in stratification line and from Western Europe model. Quick changes and improvement in living and property area are probably daydreams if in comparison there is the western middle class. A very large country with enormous amount of population combined with very slight time of experience in changing process altogether - Change will take time for sure. With above mentioned descriptions of the Russian middle class and their profiles is good moment to move from the theory to the empiric about the CASE study of Lahti's winter visitors. The majority of the visitors (respondents) came from the five million inhabitants' city Saint-Petersburg that is now reachable with a 2, 5 hours by train.

PART 2

5. METHODOLOGY

5.1. Case study

For a case study it is typical to be a multifaceted and with a flexible methodological approach. The approach that combines interaction to the theory and empirical part which indeed create something total new. The case study is both a quantitative and qualitative research method approach that answers on questions How and Why. From a single particular case study there is a possibility to receive and explore some very profound and specified knowledge. Saarela-Kinnunen & Eskola (2004, 158-169) explain that a comprehensive understanding of phenomena in case study is more important than making some generalizations.

‘From here to there’ is a research journey of the case study process. ‘Here’ might mean an early stage of planning process together with questions of research. ‘There’ is the final destination of well planned case study where the answers and conclusions are made. (Yin 1994, 19)

The case study’s questions are:

‘How the Russian visitors perceive the Finnish service level?’

‘What do Russian visitors think about service in Russian language in Finland?’

More thoughts and the best qualities of CASE study by Robert K. Yin in his research work of *Introducing the World of Education* (2005, 380-391):

1. If compared to other methods, the biggest advantage of the case study is
 - its ability to analyze ‘deeply’
 - a CASE presented with the real-life spectrum
 - the best solution with descriptive or explanatory questions

- its aiming of produce ‘a first-hand understanding’ of people/events
2. A bottle-neck or a key demand in using CASE study method is
 - a person’s/researcher’s/investigator’s ability to expertise simultaneously with collecting data and naturally skills for investigating
 - a good case study design (defining the case and adopting theoretical approaches)
 - avoid of creating a scenario, where during the selected case elements may vary largely
 3. About CASE study’s data and analysis
 - should present their data formally and explicitly
 - when collecting the date, the most important is to ‘triangulate’ data and converge evidence with findings
 - analysis can be relied on several techniques
 - analysis can be presented throughout a case study

5.2. Interview

The main idea of the interview is to receive information that is in person’s mind. It may also be called some level of conversation but indeed started and managed by researcher. So, when one person is interested in the information the other has why not to ask directly, suggest Eskola & Suoranta (2003, 85-86). In the latest decades there have been some changes in understanding what interview really means. It began smoothly progress from a question-answer to conversation more like an interview. It is definitely interaction where both sides are interacting with each other and they have an effect on each other. Five typical features of interview are 1) it is a pre-planned; 2) it is started and managed by interviewer; 3) an interviewers post is to keep an interviewee focused and interested; 4) an interviewer knows his role and an interviewee learns it; 5) an interviewee can trust that his information is treated with confidentially.

In structured interview everybody received the same questionnaire form with the same questions and ready optional answers to choose. In the semi-

structured interview had the same questions for everybody, but not ready answers, only free lines to write down own thoughts. The theme interview refers to its name that there are particular themes to choose, but not structured precisely, their order and shape may vary. An open interview seems like an ordinary conversation with decided theme, nothing else strict and obligatory. (Eskola & Suoranta 2003, 85-86)

5.3. Design, Implementation, Analyzing and Reporting

The complete cycle of case research study is:

Design – This case study planning stage started at the beginning of October 2010. The original plan was to cooperate only with one particular hotel for gaining all needed information. I contacted the chosen hotel in November and agreed about the meeting. The meeting took place on the 17th of November, where the idea of case study was presented to the management of the hotel. During the same meeting was also introduced that an inquiry to the Russian visitors was not only made on questionnaire base, but author offered her services as being ‘an observer’ in the hotel area for couple of days. Thus the author could be able to provide some useful information for the visitors about Lahti city. The management promised to give their response in two weeks about their willingness for cooperation. The author contacted several times the hotel as was discussed on the meeting but unfortunately without results. Because of the lack of time a plan B needed to be composed quite quickly. Instead of one hotel, the author contacted three new ones and each of them was interested and agreed to cooperate.

Selection – First idea was having only one hotel, but during process it changed into three hotels approach. The hotels with different sizes and styles were waiting eagerly for their yearly arriving guests. Why the winter holidays visitors –group was selected? They were waited guests all around Finland already for a month before – the Finnish media reported news non-stop the closer date become. The management of the hotels and the author were quite positive about guests belonging to the Russian middle class. As one manager of the hotel described it: If Russians have a lot of money, they go to Switzerland, if they are lacking money they will stay at

home. But if they have some extra to consume, they come to Finland and with that they are the middle of Russia's society. The selection of the hotels was made on the base of price level; they were neither low-priced nor expensive.

Analysis – Once there was a belief in academic world that the more results you receive from case study, the better (Saarela-Kinnunen & Eskola 2001, 158). It was thought that more quantity has a more weight from research point of view. The thing is that case can also be made from a single person, family, organization or other phenomena. In this case study target group were the Russians, who came to Finland to spend their winter holidays and at the same time they were the representatives of Russian growing middle class. Already on the planning stage author thought in detail what would she like to find out and how deep it is wise to go in terms of getting some results compared to none. That is why actual amount of questions to the target group is ten from fifteen (10/15), while the first five one is a 'making a profile' with questions like Sex, Age, City etc. Afterwards the received answers of the study were analyzed.

Reporting – Reporting is done in the report style from the analysis of questionnaires. There are defined what was inquired and what kind of results were received. With the received answers and after analyzing them was completed the report of the survey.

6. CASE-STUDY: RUSSIAN WINTER HOLIDAYS VISITORS IN LAHTI CITY

6.1. Background

In year 2009 Finland was visited by 5, 7 millions of visitors, who spent total of EUR 1.6 billion. The largest visitor group came from Russia with 2, 2 million visitors. Half of the trips were a leisure time and $\frac{1}{4}$ were on a business-trip. Typically Russians stayed up to 4 nights, which is on average more than any other tourists. The average amount of money spent per person was almost 300 Euros. (Border Interview Survey 2010, 53)

During the last six months in the Finnish media there have been a lot of discussion about Russian language and whether here in Finland should be offered better service to the biggest visitors group (Russians). The most of those media articles were completed without interviewing this particular group. The author decided to ask directly from them: ‘Would they like to have service in Finland in their own language?’ and ‘How they perceive Finland’s hospitality level in the service industry?’.

6.2. Pre-implementation

Choosing the hotels:

The principle of making the Case study was all the time ‘not quantity, but quality’, which was the reason why author originally inquired only one hotel to cooperate. The idea behind was to make a deeper analyze with questions and interviews. In the middle of December 2010 a super-fast train Allegro started operating and it promised to minimize time between Helsinki and Saint-Petersburg by a half. This news could only forecast of increasing visitor flows from Russia to Finland. The period of implementing the CASE-study was 02.-10.01.2011, because of the highest season in which Russian visitors prefer to visit Finland.

Those chosen hotels, which were interested to know about their clients preferences, were: **Cumulus (171 rooms), Musta Kissa (71 rooms) and Sokos**

Hotels (154 rooms). Above mentioned hotels with their supportive clients made this CASE study possible.

- **Cumulus** hotel belongs to the Restel Oy Ltd and is Finland's largest hotel and restaurant company. The Restel Hotel Group includes international Crowne Plaza Helsinki and Holiday Inn hotels in Finland, the national Rantasipi and Cumulus hotels, Ikaalinen Spa and Hotel Seurahuone Helsinki. Company includes 47 hotels in 28 cities and towns and nearly 300 restaurants around the country (Cumulus, 2010).
- **Musta Kissa** hotel is a petite and private owned hotel in the centre of Lahti city. The hotel has had their Russian guests for decades as the management shared their thoughts (Musta Kissa, 2010).
- **Sokos Hotels** is the largest and most well-known hotel chain Finland. The chain operates over 40 hotels in Finland, Tallinn and St. Petersburg. The hotels are located in city centers or at holiday resorts with excellent traffic connections. The Sokos Hotels chain expands strongly abroad as well (Sokos Hotels, 2010).

6.2.1. Implementation

The author called to the hotels beforehand to introduce her, making an appointment and then went to meet the managers of the hotels. It was also polite to introduce the university program and thesis work including the case study. It is important to remember how usually people act about different sorts of questionnaire forms and especially when they are on vacations. The author thought that less is better than nothing and chose two of the most important topics: Service in Finland and a Russian language. In the theory part there is a lot of information about the Russian middle class and that is why the author hypothesizes that those, who visit here in Finland belongs to it. Question is though asked from respondents directly in the questionnaire form: *'Do you consider yourself as the representative of the Middle class?'*. A questionnaire form that is structured with fifteen questions and alternatives to answer gives

possibility to find out how the Russian middle class visitors here in Finland perceive Finnish service culture and what they think about having a service in their own language whether it is needed?

Each hotel received a twenty questionnaire forms, altogether sixty (60). They were left on the January 2nd and collected on the 10th. Answering period was from 02.-10.01.2011. We decided with the managers that forms will be given to the client directly in check-in moment and after that, the client will decide himself/herself about filling it or not in his room. Cumulus hotel received the most answers and author suspects two reasons for that: they gave the form to the client, as was agreed beforehand; others put the questionnaire forms in the pile in front of desk among other papers by help-yourself-principle. Then Cumulus had a Russian-speaking trainee at the reception that week. Sokos Hotels mentioned that they were not sure, if personnel remembered to give these forms to clients directly or not.

From sixty (60) forms returned twenty (20) answered, 15 pieces never been returned and 25 stayed untouched from three hotels altogether. The author decided to use a number 35 (20 answered +15 non-answered) as a core to what refer instead of 60 (the original amount of forms), because in author's opinion it gives a wrong reply percent while those 25 forms never were given to the clients. With 20/35, we receive 57.1 % to case study response rate. In 20/60 case, the response rate would only be 33.33 % almost one of the quarters fewer.

6.3. The report of the survey

In the intro section of the questionnaire form there was an explanation to the potential respondents that there has been a lot of discussions recently in Finnish media about Russian visitors in Finland. Whether should a Russian language be added to school system as a compulsory language and does Finnish representatives of hospitality and other service industry have required language skills to serve their customers or not. It was also mentioned which university of applied sciences author is representing and that this CASE study is a part of her thesis's empirical part. These people, who supposed to be interviewed, were on

their winter holidays. The author would like to use an opportunity to express her gratitude toward their time and help - without their help this CASE study work could have not succeeded. Thank you all!

6.3.1. Profile

The thirty-five questionnaire forms were given to Russian visitors in Lahti during 02.01.-10.01.2011 period of time and twenty forms were filled and returned. A half of respondents were women and other half was men. The largest age group was 20 to 30 years old making 45% of all respondents. The next two age groups were 31-40y and 41-50y., they were equally represented with one of the quarter (each 25%) and the remaining 5 % belonged to the age group from 51 to 60 years old. It is worth of pointing out that the biggest group is also the youngest one. The young, educated people, who are in active working age, like to travel and see the international world. Almost every respondent (18/20) had visited Finland before (see Figure 10). Only ten percentages of the visitors declared that they visited Finland for the first time. This is not surprised because for two reasons; a geographical proximity of Finland and Russian's love for nature. Russians had their interest in Finland already for centuries. When author inquired about their hometown or place from where they came from, three options were given with Moscow, Saint-Petersburg and another place. The results are shown below in the Figure 8 named as *Location*.

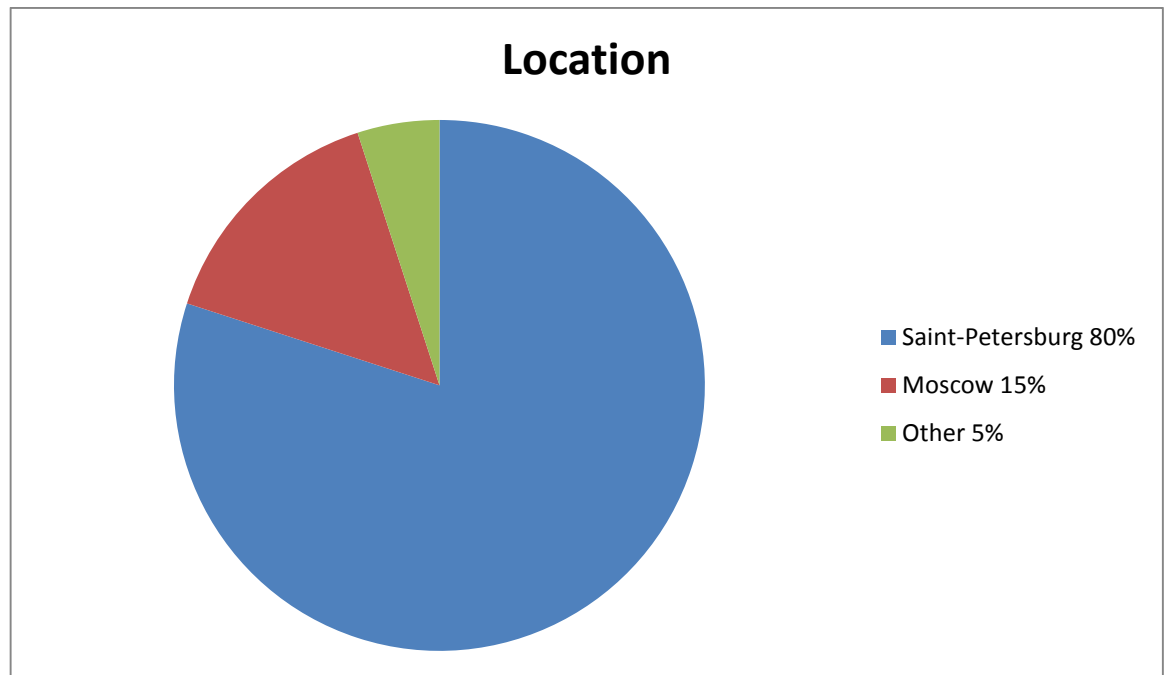


Figure 8: The hometown of the visitor

Question number 5 inquired ‘Do you belong to the upper-middle class or middle class?’ - 95% chose the latter one answering to the middle class. Terminology with the ‘upper-middle class’ refers to middle class, but its biggest difference with other part of the middle class lays in its economic level. In other words the upper-middle class is wealthier (economic aspect) and also on average more educated (cultural capital) than the other group of the middle class. Almost in all hotels the management referred to the middle class while described their customers. At the same time they underlined that if their guests would be extremely rich, they would not come to Finland but travelled to Switzerland.

The most common and popular reasons for the winter holidays in Finland/Lahti by visitors are presented next: resting and relaxing, spending time together with family, shopping and changing own environment. Others worth of mentioning were a clean nature, culture, sport activities and visiting relatives.

6.3.2. Service

Questions number 7, 8, 9 and 10 focused on the service level in Finland in general. Three categories of services were examined: hotel and its personnel, the shops and their personnel, the restaurants/cafes and their personnel. Author decided to measure the service in three levels: a high level, a medium level and a low level. A level of service in Finland in general was divided with 55% of high level and 45% with medium level of service. In author's opinion this result shows that altogether Russian guests are pleased with the service, because none of them chose a low level of service. When we move further and review all three categories: hotel-shop-restaurant, the best results in high level of service received a hotel and its personnel with 55% of the total feedback, the second one is the stores (45%) and then restaurants with 35% respectively. Each question was formulated to give scores to one subject at the time. The most of medium level of service received the restaurant and its personnel groups with 60%, while high level gives in same category only 35%. For hotel's services only 35% gave medium level of service and 10% left it empty. Stores and shops indeed received 55% of answers belonging to the medium level of services.

6.3.3. Language

Besides the service level in Finland and how Russians visitors perceive it, a Russian language was another important subject author eagerly wanted to learn from respondents. Have they had a service in their own mother tongue? Would they like to have it or are they managing perfectly for example in English?

'Would you like to have a service in Russian language?' Only one answer was allowed to choose in the questionnaire form. How the answers were divided between respondents, see Figure 9 below.

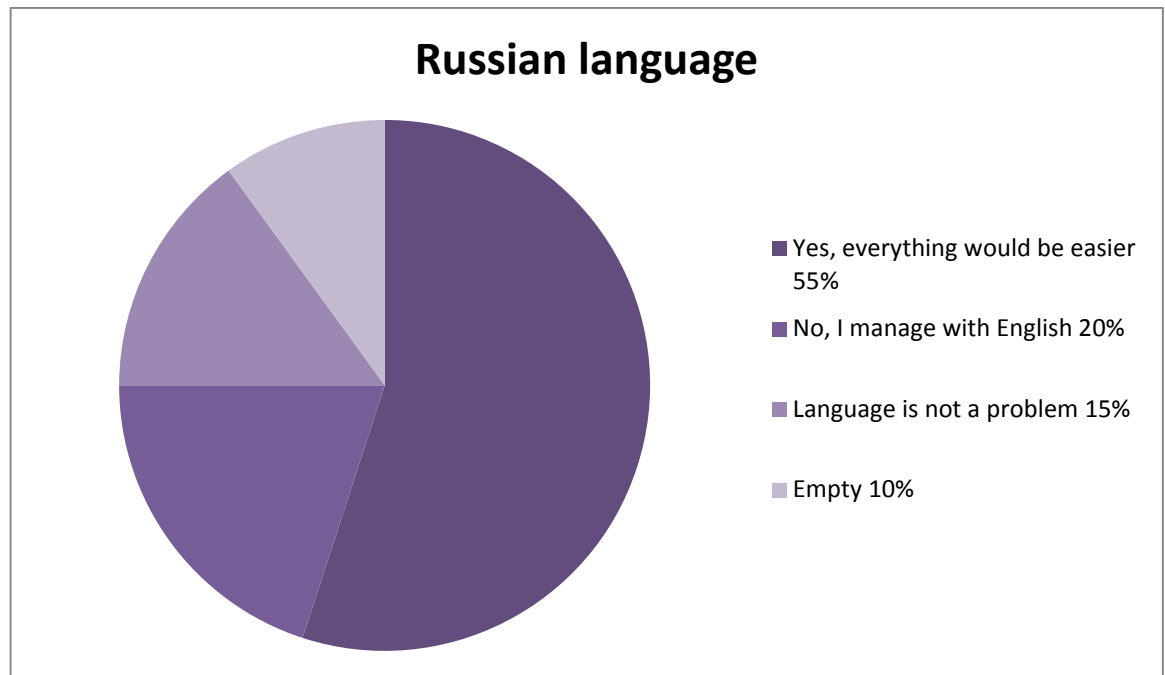


FIGURE 9: Russian Language

As it can be seen from above (Figure 11) more than a half of respondents considered service in Russian language as a positive thing, this would make their shopping for example easier as they could ask for help if necessary and receive more information about the product. When customer has more information about the product and alternatives to choose, he probably ends up buying even more. And if person does not have information in own language how would he know about the alternatives of leisure time? Every fifth (20%) mentioned that their English is good and that they can manage without help in Russian language and only 15% mentioned that a language question is not a problem for them at all.

It is important to remember that in this CASE study almost a half of respondents (45%) were in the age group between 20-30 years. This means that this generation has had an opportunity to study English language at school and has totally different approach than the older generation. Young generation is also accustomed to using a PC and Internet, where the English language is very common. There can be generalized that the older the Russian visitor is, the more evidently he/she does not speak English and therefore would prefer to be served in Russian language. On the question 'Did you receive a Russian language service in Finland?', if did, please mention if it was a hotel/restaurant/shop, 65% answered that they did. Author still would like to open just a

little why this figure is so large, while in media can only be heard that there are not enough Russian speaking personnel. Almost $\frac{3}{4}$ of those who mentioned that they received service in Russian language (65%) stayed in hotel Cumulus. When the author discussed this with the manager, he mentioned that they invited a Russian speaking trainee from Tourism Department (University of Applied Sciences in Lahti, LAMK,) on purpose to help them in this high season winter holiday. This hotel made the preparations in the name of better service to their clients. Author wants to emphasize this once again; the Cumulus hotel did receive more responses than any other hotel and their clients were more satisfied with service level. The management of all hospitality organizations can lead themselves into conclusions whether it is important to meet the client more than a half of way or not.

The author summaries that those who understand in which section should be invested, they will definitely succeed on a long term. Others who mentioned that they received service in Russian language said it was common in Helsinki, but not in Lahti. The results show that, those who received service was either from hotel Cumulus or from Helsinki. On the question *What is more important to you high level of service or service in Russian language* the answers were divided such as (see Figure 10):

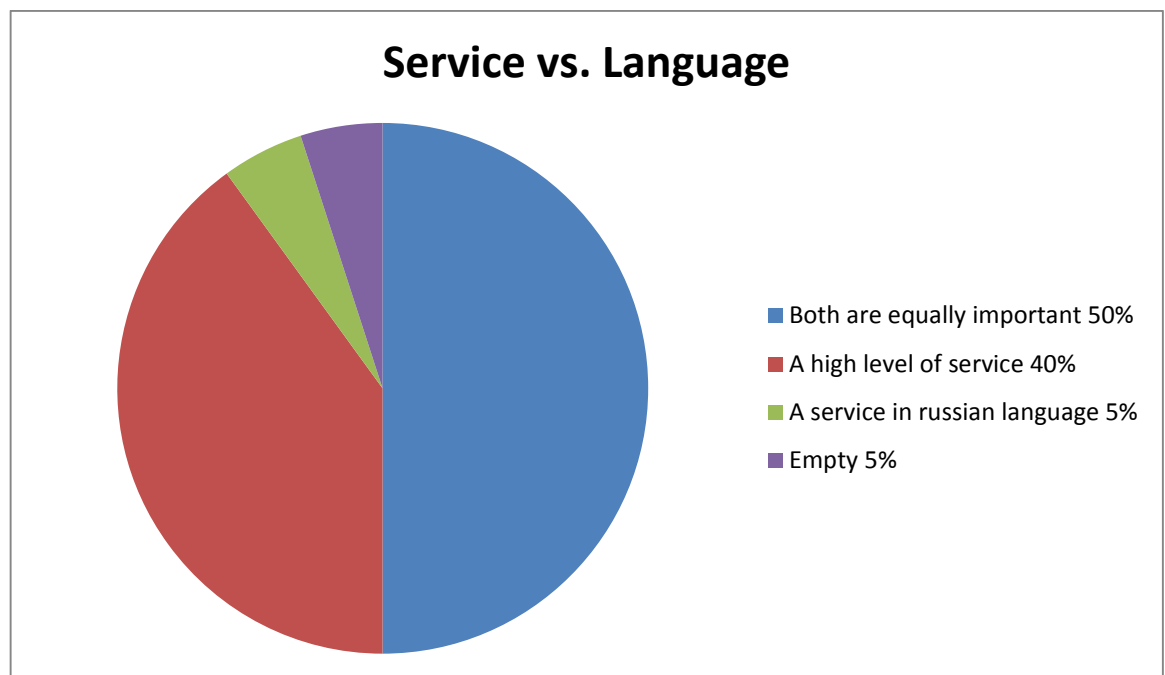


Figure 10: Service vs. Language

A less than a half (40%) thought that a high level of service is the most important and 50% considered both a language and service as equally important, only 5% choose exceptionally a service in Russian language (see Figure 12). On earlier question about servicing in Russian 20% answered that they manage in English well and another 15% did not see any problem with language. Those who spoke English choose the service as the most important element. Those who cannot speak English, choose both a service and language as the important elements for them. The last question of questionnaire form was whether the respondent will suggest this winter holiday to their friends, relatives, co-workers etc – 75% says they could recommend this place for winter holiday. With these conclusions can be only understood that Russian visitors were enjoying their time here in Finland.

6.3.4. Improvements suggested by visitors

Question N14 was an open-ended, respondents were asked to write something that is missed in Finland/Lahti service, what they need and miss while they are on vacation. Below are some responses:

‘Lahti is a nice city. Here is everything you need.’

‘A warm ocean is missing.’

‘All shops and entertainment centers closes very early. Why?’

‘We miss an actual and detailed program in Russian what happens in Lahti city and where we can go in the evenings.’

‘If somewhere near happens something very unique and interesting, we would like to know, because we are very interested in having new experiences.’

‘More information needed about sport activities, working hours, prices and locations in Russian language.’

‘Waiting in passport control for seven hours was very boring, if it could be only 2h it would be very nice 😊. Otherwise we like here.’

'I could not find information in Russian and English about cultural events in Lahti.'

'Shops were closed on Sundays.'

'Information needed in Russian about sightseeing's and historical places.'

'There was not any GYM at the hotel that was a pity.'

'Some events related to the automobile sport.'

'Some delicious places to eat.'

'The clothes and accessories are very high quality and cheaper than in Russia.'

Several replies by respondents revealed that the Russian visitors were lacking of the needed information on vacation. The topics were related to non existing information about visitors' leisure time possibilities in Lahti and its near region. From their comments could be understood that they missed an organized program, activities, and places to visit and see the sightseeing. Lahti city has the places to visit and even the brochures produced in Russian and English, but somehow the demand did not meet the supply. In other words, more money could be left to Lahti, but there were not given chances for that. Will the brochure; was it then in Russian or English resolves all the problems? From the cultural aspect, Russians would probably like to change a few words with someone face-to-face, preferably in their own language. Those, who can recommend the places that should be visited and the restaurants, where can have a delicious meal. Should the hospitality sector of Lahti together with the city develop some sort of 'guiding system' for the visitors? It could contains for example guide's hour every morning at the hotels, where visitors could ask questions about places where should go. If the hotels have their own personnel who speak Russian then visitors could receive the information during their stay at any time. One option could also be the centralized information point inside of shopping center with Russian speaking personnel. Either way, the goal would be to offer more possibilities for visitors to enjoy their holidays and naturally the region's business life will be benefiting from it more. When the region's business life is improving, it indeed can invest more in the future services. Everybody win.

6.4. Lakes of Lahti

To support the survey of the study I sent the questions via email to the development manager of Lahti's tourism department in Lakes (Lahti's Business development company) Miika Laakso. The questions were sent on 22th of January 2011, after receiving the answers a meeting was arranged on 22th of February 2011. The interview with Miika Laakso was important to give more information about Lahti's atmosphere toward Russian visitors and future's developments in the hospitality sector. This particular interview was planned beforehand and theme of discussions was given to the recipient also, but interview itself went smoothly from subject to subject without a strict question-answer style.

1. What kind of meaning the Russian growing middle class has on Lahti city and its near region?

Its impact is a huge and important, because Lahti has started to invest in Saint-Petersburg area. For most of Russians Finland is the first country they visit abroad. With the help of Allegro-fast-train connection brings us, Lahti, closer to the 6-8 millions of people. The tourism strategy of Lahti and its region is to double Russian visitors an overnight-staying by the year 2015.

2. Can you describe shortly Lahti's marketing campaign 2010-11 in Saint-Petersburg (www.visitlahti.ru)? For whom it is designed? Implementation, future plan?

Backgrounds of marketing campaign 2010:

While Allegro-train starts operating Finland, Lahti and its region become even closer to the inhabitants of Saint-Petersburg.

Target group:

Primarily a group that consumes, but from point of view getting know better Lahti city also Invest In -group

Goals:

1. *The recognizability of Lahti city and its region*
2. *Attract Saint-Petersburg's people and business organizations*

Message:

3. *Get quickly and easily to Lahti city.*
4. *Around Saint-Petersburg area there isn't another such a nice, a multi-colorful well-being and good life experiencing like in Lahti region.*

Theme:

Päijänne, Nature, Sport, ski, camping, shopping, cottage, hotels, restaurants, coffee, nightlife, for families and children, snowboarding, Golf, business investments, business trip, events

Implementation:

5. *Web-page*
 - *open from 29.11.2010*
 - *stay as a permanent web-page with different news and happenings changing by seasons*
6. *a place, where different campaigns may be found*
7. *a radio campaign in Saint-Petersburg area Dorozhnoe Radio*
8. *Saint-Petersburg and Northern Russia the most listened radio station, every day over one million of listeners*
9. *18 persons sharing in the centrum of Saint-Petersburg flyers*
10. *Information event at the Helsinki-centrum in Saint-Petersburg*
11. *Posters at the Helsinki's railway station in Finnish and in Russian*

Future: The proceedings plans for marketing campaign 2011 is still in the middle of planning and time is spring 2011 to continue with the plans

3. Case-study survey shows that 55% of Russian visitors in Lahti city found Finnish service level as a high, what do you think about that? How the service level could be improved? Do you find that the representatives of the local business organizations have enough know-how on Russia-knowing sector? Do service providers know enough about their customers?

'The know-how of Russia isn't unfortunately quite well presented among local entrepreneurs. They actually miss Russian language guides, brochures, web-pages and seldom of them have Russian speaking personnel. In the area of Päijät-Häme there is also some negative tone in the air towards Russian visitors. Some of the business organizations together with entrepreneurs consider Russian clients 'hard to handle' and that's why sometimes they are willing take them only when they can't get anyone else.'

4. If between Finland and Russia will be a visa free travelling possibility, does Lahti city and its region has enough a high level of hotels to accommodate larger flow of visitors?

'We have some very good staying opportunities in the cottage field, but not from hotel sector, at least not from Lahti Centrum. I still believe that to the average Russian visitor we have something to offer, for more demanding taste then it is another thing. For the taste of more demanding and a luxurious style, there isn't that in Lahti.'

6.5. Summary

This CASE study revealed that the Russian winter holidays visitors are young people, who have already been here earlier and the majority of them came from Saint-Petersburg, because of its closeness. These people recognize themselves for sure as Russian middle class, being the middle class, which has an opportunity to travel abroad and spend some money on shopping, eating out, having some winter activities etc. These visitors to Lahti consider service level in general high. They are also pleased than average with hospitality services such as hotel, shops, restaurants and cafes. None of the defendants gave the service level as a low which either is actually true or the Russian guests are too polite.

Most of them have not received service in Russian language but express that they would like it because for sure it would make things easier and less complicated. In this study quite many also chose that yes, they receive service in Russian language, but as author mentioned before it was this particular hotel with a Russian speaking trainee. Some Russians speak English and others do not consider the language a problem because they manage in every day situation at holiday and it is fine for them. The younger generation most probably speaks better English than older one, and they also had an opportunity to start travelling and see the world at the earlier age, than their parents for example. They appreciate a high level of service they receive but a high level of service in their native language would be even better, because they also consider the language question as an important one.

This small particular group that visited Lahti at the beginning of January was quite pleased with city's offers, but they missed information about what happened in the city from a cultural and leisure point of view: events, festivals, concerts *etc.* They wanted to get this information mostly in Russian language but some mentioned that English would also be fine. Perhaps if there was a question whether the Russian guests were bored in Lahti city we could receive a positive answer. Even when they say that resting and being with family is important and what they want on vacation. It obviously does not mean that they would like to stay in the hotel all day long, but would like to get some new and exciting experience – a cultural diversity author is guessing. The more service provider is interested in own client's well being, the more definitely he/she will return back AND tell to his/her friends, relatives, co-workers about this wonderful place and people. This survey shows that **75% of respondents say they could give references to this holiday destination**. Lahti's representatives of the hospitality sector should seriously think about offering 'guiding hours' at the hotels for example or something, where Russian visitors could express their interests and receive some advices about visiting places. With this customized information will benefit both sizes: The visitor will have more exiting experiences and probably return to the city, when city will benefit economically for sure.

During meeting with Miika Laakso became clear that Lahti has a lot of advantages for hosting the Russian guests, for example by having an ideal location, nature, the business environment, the shopping possibilities, a cultural program etc. Still there is a lot to do; one thing is an attitude of the some service providers in the hospitality sector. Namely they are not that interested in servicing the Russian visitors because in their opinions it demands more work than with Finnish guests. They have told to Laakso that simple things like a check-out may cause problems, because guests do not remember the time they should be leaving. Or something else quite understandable in Western culture of travelling, but apparently not so well known to the Russian guests. If the hotel management or the hospitality organization of the Finland decided to invest in the multicultural management and diversity, the results concerning the attitude would be different. Or maybe it is should be more invested already in the education stage of the hospitality's sector personnel. We live in the time of a high competition in any business field where the service provider should be grateful for the clients and not acting as a critical picker. Southern-Eastern part of the Finland probably does not have Lahti's problems about their Russian customers –all customers are equally important and welcome there!

7. CONCLUSIONS

After the collapse of the Soviet-Union, there have been made a number of different research studies about the Russian middle class and its existence. Different approaches were used in finding and identifying the true meaning of the Russian middle class. Almost two decades later discussions about the existence of the Russian middle class continues. There are plenty of well-known Russian sociologists, who have spent a lot of time researching this popular subject and presented their controversial results and forecasts to the public. Part of them claim that the middle class exists in Russia, but it is yet quite small and need more support from the government to start flourishing as it should be. Other researchers claim that there are no middle class as such and everything is created artificially to impress statistics. I believe that Russia has its own middle class with its all sub-groups inside spiced by its own mentality. Russian representatives of the middle class are those, who adapted well to the changes in the society and its reforms. These people could see the possibilities from the reforms and benefit from them as much as they only could.

The core of the middle class represents well educated population with high level of professionalism and a cultural baggage. Their spouses and friends are usually also well educated and their lifestyles are at least on some level identical. The Russian middle class seems not that wealthy when we compare it with Western one, but it definitely has some of the material resources and with that is not that poor either. Russian middle class consists of different levels. The core of middle class is only 13-15% but its closer periphery covers another 18%, therefore over 1/3 of the population may identify themselves as the representatives of the middle class. Another twenty percent belong to the further periphery which means they miss a lot of aspects to reach the core, but they still have chances to improve their life for example by getting better education, and better job as a result of it. Russian sociologist in common, who have been studied the Russian middle class vary their views between 7% and 60%, depending on which of the criteria are in used. Same with the level of income – everybody whose salaries vary between RUB 15 000 and RUB 100.000 (per capita/month) belong to the middle class. The economy's inflation was acting an important role past few years, because the

minimum wage of the middle class line increased four times and the economists believe it will continue.

Regardless of the level, people tend to believe that they belong to the higher level rather than to the lower. This may be explained by people's pride and willingness to fight to the fullest for their place in the society, and not slide down on the stairs. They prefer to see themselves living like everybody else, even if they miss some elements to belong to that particular group. To show the outside world person's life-style that he/she can afford, is a normal phenomenon and met as a symbolic gesture in the classification system. The lower classes always were motivated to move up on the ladder, but only those who could afford to make much needed and sometimes radical changes. This example is not about the classes below middle class, as most of people have quite realistic approach about their current and future situation – they do not live in the wonder land.

When the socio-economic conditions are ideal, the possibility of growing and increasing amount of the representatives of the middle class is definitely multiplying. The representatives of middle class prefer to invest in their property, education (own and children's), health and their leisure time for example by travelling abroad. The closer households are to the core of the middle class, the more notably they are using paid services in the well-being, nursing, medical, repair-work sectors. These indeed create more work places and taxation for the government that can again invest in its people. The economic crisis of 2008-2009 diminished the whole middle class from 1/3 of the population to the 1/4 of it as was shown by Tihonova and Mareeva. They also predict that a big part of population may find economical difficulties in the near future because of the crisis. Only future can show what will happen to the Russia's middle class in time. As of today, there have been twenty years of reforms and a true transformation happened. A large nation with over 70 years of the socialism has managed quite well into market economy together with new reforms.

Several studies stress the importance of education. The best chance one may have to be a part of the core of middle class is to when he/she is born in the family, where both parents have a high education and similar expectations for their children. On the other hand, education gave also an opportunity to come from lower middle class to the middle class or even the upper-middle class. Higher education was considered as a key to the

middle class and better life. Next example is not from Russia, but from United Kingdom, where the representative of the middle class is getting married with the representative of Royal family. How did they meet? In the university is the answer, again education gave the opportunity to improve own's life at once. If Kate Middleton's parents would not give an opportunity for studying in the privileged university, Ms Middleton would not meet her future husband Prince William.

From the CASE-study can be seen that Russian winter holiday visitors found Finnish level of service as high or medium in general. The visitors did not receive the service in the Russian language during their stay in Lahti, with the exception of one of the hotels from the study, where Russian speaking trainee was working. Respondents identified that a high level of service was important, but the majority stated that a service in Russian would make a big difference too, as English language skill in Russia is not a common phenomena, especially in older generation or in those who live outside the big cities. The vast majority of the interviewed considered both options equally important: Great Service and service in Russian language. Still author is suggesting strengthening Lahti city's tourism strategy from the point of view Russian visitors. Lately have been several articles in region's newspaper about big plans in tourism area – hopefully they would be implemented also. What does not need a huge investments is providing visitors with more information in Russian for example by organizing a common, visiting guide at the hotels every morning or a phone line from the hotels (free of charge to customers), from where could be gained the latest information about happenings. Otherwise they take their money back to Russia to entertain them.

The fact is that number of Russian middle class representatives will only be increasing in the future. Finland and Russia will always be geographically close, and more Russians will visit Finland in the future to relax and spend their money. That means that there is a huge economic potential to use and benefit for Finland's economy. This thesis offered the information package about the Russian growing middle class representatives and CASE-study about Russian winter holiday visitors in Lahti city, which is nowadays reachable just in 2,5 h from the Saint-Petersburg by super-fast train. For Finnish service provider it is vital to know as much as possible about their end-customers to serve them better. It is good news that Finland's business and political elite understand future possibilities and offer the new strategies of servicing Russian visitors even better, e.g.

by increasing study of Russian language in school and considering it as a third compulsory in the education system of Finland. In the time of the global market and a high level of competition, the economic growth and the incomes that Finland is receiving from the hospitality sector and tourism via the biggest visitors group, the Russians - cannot be ignored or forgotten. Rather should be the investments done on the long term than shortages with that letting the opportunities worth of a golden pass away.

SOURCES

Aristotel. Politika, Book 4, available <http://www.politnauka.org/library/classic/aristotel-recenz.php>, Accessed 2.11.2010.

Balabanova, E. 2008. Srednij klass kak objekt issledovanij rossijskih sociologov. Obshestvennie nauki i sovremennost, N1, pp.50–55, available <http://ecsocman.edu.ru/data/2010/11/26/1214821422/Balabanova.pdf>, Accessed 22.8.2010.

Beeghley, L. 2004. The Structure of Social Stratification in the United States. Boston, MA: Pearson, Allyn & Bacon.

Beliaeva, L. 2007. I vnov o srednem klasse Rossii. Sociologicheskie issledovanija N5, pp. 3-13.

Beliaeva, L. 2000. The 'new middle classes' in Russia. Russian Social Science Review Jul/Aug, pp. 42-55. ABI/INFORM Global.

“Bourgeoisie”. 2011. In Encyclopedia Britannica, available, <http://www.britannica.com/EBchecked/topic/75834/bourgeoisie>, Accessed 7.4.2011.

Drobinina, E. 2011. Vy bogaty, bednij ili ‘poseredke’? Interview with Berezin, I. BBC/Russkaja Sluzba, 12.02.2011, available http://www.bbc.co.uk/russian/business/2011/02/110211_middle_class_russia.shtml, Accessed 27.04.2011.

Berezin, I. 2010. Novyi stil zizni srednego klassa. Expert N4, available http://expert.ru/expert/2010/04/stil_zhizni_srednego_klassa/, Accessed 27.04.2011.

Border Interview Survey, Part 23, Foreign Visitors in Finland in 2009, Finnish Tourist Board / Statistics Finland, published 09.06.2010, available [http://www.mek.fi/W5/mekfi/index.nsf/6dbe7db571ccef1cc225678b004e73ed/d7cb88bc4c5827cdc225773d0025373b/\\$FILE/A168%20Rajahaastattelututkimus%202009.pdf](http://www.mek.fi/W5/mekfi/index.nsf/6dbe7db571ccef1cc225678b004e73ed/d7cb88bc4c5827cdc225773d0025373b/$FILE/A168%20Rajahaastattelututkimus%202009.pdf), Accessed 24.08.2010.

Cumulus hotel. 2010. Available http://www.cumulus.fi/cumulusinfo/en_GB/yhtio/, Accessed 26.12.2010.

Gerasimova M., Gromova E., ShparaK. 2005. Avtoportret Srednego klassa v Sankt-Peterburge. Zurnal sociologii i socialnoi antropologii. 2005 Tom 8 N2 pp.165-179, available <http://www.ecsocman.edu.ru/data/353/832/1219/010-Gerasimova.pdf>, Accessed 12.11.2010.

Cockerham, W. 2006. Class Matters – Health Lifestyles in Post-Soviet Russia. Harvard International Review; Spring pp.64-67. ABI/INFORM Global.

Davydova, N.(eds. Gorshkov M.K., Tihonova N.E.). 2008. Specifika dosuga srednego klass. Srednij klass v sovremennoi Rossii. Institut Sociologii. pp.90-100, available www.isras.ru/files/File/publ/middle_class/chapter7a.pdf, Accessed 11.04.2011.

Dobrenkov, V.I., Kravchenko, A.I. 2001. Sociologija, available <http://www.alleng.ru/d/sociol/soc033.htm>, Accessed 2.11.2010.

EK. 2010. Työelämässä tarvitaan yhä enemmän useampia kieliä; EK:n henkilöstö – ja koulutustiedustelu 2009, Elinkeinoelämän Keskusliitto, available http://www.ek.fi/www/fi/tutkimukset_julkaisut/2010/6_ksa/Tyoelamassa_tarvitaan_yh_a_useampia_kielia.pdf, Accessed 9.1.2011.

Eskola J., Suoranta, J. 2003. Johdatus laadulliseen tutkimukseen, 2003. Tampere: Vastapaino.

Gilbert, D. 2002: The American Class Structure: In An Age of Growing Inequality. Belmont, CA: Wadsworth.

Gladarev, B., Tsinman, Z. 2007. Ekonomicheskaja sociologija: Tom 8 N3 05/2007 ISSN 1726-3247, available, pp. 61-81 http://ecsoc.hse.ru/pdf/ecsoc_t8_n3.pdf, Accessed 22.11.2010.

Goltz A., Gontmakher Y., Grigoriev L. and others. 2010. Russia in the 21st century: Vision For The Future. Institute of Contemporary Development, Abridged Report.

Herrnstein R., Murray C. 1994. The Bell Curve: Intelligence and Class Structure in American Life. New York: The Free Press.

Hietaniemi, T. 1998. Max Weber ja Euroopan erityistie. Vertailevia sivilisaatiohistoriallisia tutkielmia. Helsinki: Tutkijaliitto.

Kivinen, M. 2004. Srednij klass v sovremennoi Rossii. Rossiya Glazami Zarubeznih Issledovatelei. Mir Rossii N4, available http://www.ecsocman.edu.ru/data/831/005/1220/2004_n4_p143-170.pdf, Accessed 25.8.2010

Kivinen, M.1998. Sosiologia ja Venäjä. Hämeenlinna: Hanki ja Jää.

Krieken, R., Smith, P., Habibis, D., McDonald, K., Haralambos, M. and Martin Holborn. 2000. Sociology: Themes and Perspectives. 2nd Edition, Melbourne: Longman. pp.54-65.

Kuusi, O., Smith, H., Tiihonen, P. (eds.). 2007. Venäjä 2017: Kolme skenaariota. Tulevaisuuden valiokunta, Suomen Eduskunta.Lahti:Esa Print Oy, available <http://web.eduskunta.fi/dman/Document.php?documentId=fc13607155759048&cmd=download>, Accessed 22.9.2010.

Lahti. 2010. The Marketing campaign of Lahti. available, www.visitlahti.ru, Accessed 15.12.2010.

Lapin, N. 2003. Kak chustvujut sebya, k chemu stremyatca grazdane Rossii. Monitoring, Moskva: IF-RAN.

Maleva, T. (ed.). 2003. Srednie klassy v Rossii: ekonomicheskie i socialnie strategii. Carnegie Moscow Center. Moscow;Gendalf available, http://www.socpol.ru/publications/pdf/sr_kl.pdf, Accessed 14.08.2010.

Mustajoki, A. 2007. Yliopistojen Venäjä-yhteistyön ja Venäjä-osaamisen kehittäminen, Opetusministeriön työryhmämuistioita ja selvityksiä. Opetusministeriö: Koulutus- ja tiedepolitiikan osasto. Helsinki: Yliopistopaino, available <http://www.minedu.fi/export/sites/default/OPM/Julkaisut/2007/liitteet/tr11.pdf?lang=>, Accessed 9.1.2011.

Musta Kissa hotel. 2010. Available, <http://www.mustakissa.com/>, Accessed 26.12.2010.

Popov, N. 2009. Srednij klass: jego sosedi sverhu i snizu. Mir Izmerenij 3/2009 www.indem.ru/PUBLICATII/Popov/sredklas.pdf, Accessed 12.03.2009.

Radaev, V.2005. Sociologija potreblenija: osnovnie podhody. Sociologicheskie issledovanija 2005 pp.1-31, available, http://www.isras.ru/files/File/Socis/2005-1/radaev_socneed.pdf, Accessed 15.09.2010.

Saarela-Kinnunen, M., Eskola, J. 2001. Tapaus ja Tutkimus = tapaustutkimus? In Aaltola, J & Raine, V. (eds.). Ikkunoita tutkimusmetodeihin 1. Jyväskylä: PS-Kustannus. Pp. 158–169.

Shastitko A., Avdasheva S., Ovchinnikov M., Maleva T., Ovcharova L. 2008. Rossiiskie Srednie Klassy nakanune I na pike ekonomicheskogo rosta. Biblioteka Instituta sovremenogo razvitija. Moskva: Ekon-Inform, available http://www.riocenter.ru/files/middle_class_2.pdf, Accessed 20.09.2010.

Shkaratan, O., Iljin V. 2006: Socialnaja stratifikacija Rossii I Vostochnoi Evropy, Moscow: GU-VSHE.

Simonyan, R. 2009. Srednij klass: Socialnij miraz ili realnost? Sociologicheskie issledovanija N1, pp. 55-61.

Sitnikov, A. 2000. Is a 'Middle Class' Forming? Russian Social Science Review pp. 66-80. ABI/INFORM Global.

Smith, H. (ed.). 2007. Haasteiden Venäjä 2007 Suomen Puolustusministeriö, available http://www.defmin.fi/files/1232/Haasteiden_Venaja.pdf, Accessed 4.9.2010.

Sokos Hotels.2010. Available, <http://www.sokoshotels.fi/en/info-careers/about-sokos-hotels/>, Accessed 26.12.2010.

Tihonova N., Mareeva S. 2009. Srednij klass: teoriya i realnost. Friedrich Ebert-Stiftung & Institut Sociologii RAN. Moskva: Alfa-M. available, http://www.isras.ru/files/File/publ/Sredniy_class_teorija_i_realnost.pdf, Accessed 15.08.2010.

Thompson, W. & Hickey, J. 2005. Society in Focus. Boston, MA: Pearson, Allyn & Bacon.

Weber, M. (ed. by Richard Swedberg). 1999: Essays in Economic Sociology. New Jersey: Princeton University Press.

Weber, M.(ed. Talcott Parsons). 1964. The Theory of Social and Economic Organization. New York: The Free Press, cop.

Wikipedia. 2010. The American Middle Class. Available, http://en.wikipedia.org/wiki/American_middle_class, Accessed 10.12.2010.

Yin, R. (ed.). 2005. Introducing the World of Education – A Case Study Reader. Cosmos Corporation. Thousand Oaks, Calif.: Sage, cop.

Yin, R. 2003. Applications of case study research. Second Edition, Applied Social Research Methods Series, Volume 34. Thousand Oaks: Sage.

Yin, R. 1994. Case study research – Design and Methods. Second Edition, Applied Social Research Methods Series, Volume 5. Thousand Oaks: Sage.

Ylioppilaslautakunta. 2010. Tilastoja 2010, available. http://www.ylioppilastutkinto.fi/arvjakva.pdf.koklaji_2010K.pdf, Accessed 28.4.2011.

.

Уважаемый гость гостиницы!

Я, Анна Саарела студентка университета Кюменлааксо программы MBA. За последнее время в финской прессе очень много публикуют статей о туристах из России, о том как важно для Финляндии развивать туристическую индустрию и о том, что финнам нужно больше интересоваться изучением русского языка. В этих исследованиях слышно часто только финскую сторону, для меня очень интересно и важно узнать *Как Вас здесь принимают в Финляндии и важно ли для Вас к примеру обслуживание на русском языке?* Тема моей дипломной работы Российский средний класс, он тот же, который как и Вы отдыхаете за границей. Все Ваши ответы будут конфиденциально просмотрены и добавлены в отдел CASE study дипломной работы. Диплом на английском языке и желающие могут получить ссылку на электронную почту весной 2011. Огромное Спасибо за сотрудничество!

Успешного Нового Года 2011 Вам! С уважением, Анна Саарела

1. Пол. Пожалуйста обведите один из вариантов.

Женщина

Мужчина

2. Возраст

20-30

31-40

41-50

51-60

61-

3. Это Ваш первый визит в Финляндию?

Да

Нет

4. Вы приехали из -

Москва

Санкт-Петербург

Другое –

5. Считаете ли Вы себя представителем Российского -

Высшего среднего класса

Среднего класса

- 6. Что для Вас важно в отпуске/ на отдыхе в Финляндии? Пожалуйста обведите один или несколько вариантов.**

Сам отдых	Общее время с семьей	Покупки
Культура		
Спортивные развлечения	Природа	Смена обстановки
Другое –		

- 7. Уровень сервиса в общем в Финляндии.**

Высокий	Средний	Низкий
---------	---------	--------

- 8. Уровень сервиса и персонала в гостинице**

Высокий	Средний	Низкий
---------	---------	--------

- 9. Уровень сервиса и персонала в магазинах**

Высокий	Средний	Низкий
---------	---------	--------

- 10. Уровень сервиса и персонала в ресторанах, в кафе**

Высокий	Средний	Низкий
---------	---------	--------

- 11. Вас обслуживали в Финляндии на русском языке, если да, то укажите где (гостиница, ресторан, магазин)**

Нет, не обслуживали	Да, обслуживали – в
---------------------	---------------------

- 12. Хотели бы Вы обслуживание на русском языке? Пожалуйста обведите один из вариантов**

Да, было бы легче	Нет, владею английским языком
-------------------	-------------------------------

Нет, не считаю языка проблемой

13. Что важнее, обслуживание на родном языке или высокий уровень сервиса? Пожалуйста обведите один из вариантов

Обслуживание на русском языке

Высокий уровень сервиса

Оба варианта важные

14. Чего в Финляндии/Лахти не хватает или вообще нету для идеального здесь отдыха? (своими словами ответ)

15. Могли Вы бы посоветовать отдых в Финляндии своим родственникам, друзьям или знакомым?

Да

Нет

Затрудняюсь ответить

Спасибо за Ваши ответы!

*Заполненную анкету можно оставить на Reception

*Если желаете получить ссылку на дипломную работу, то здесь Вы можете оставить адрес своей электронной почты:

@

APPENDIX 1

TRANSLATION

Dear guest!

My name is Anna Saarela and I am a student of the Kymenlaakso University of Applied Sciences, a programme MBA. Lately in the Finnish media there have been a lot of discussions about the Russian visitors, a Russian language and how Finnish should develop their tourism industry. In those researches and articles very often may be heard only the Finnish side and I am very interested to know your opinion *How you are welcomed here in Finland and do you consider a service in the Russian language as an important aspect?* The main theme of my research is the Russia's middle class, the same like you, who is travelling abroad. All yours responses will be checked with the confidentiality and added to the CASE study part of the thesis. The thesis is done in English and interested may receive a link to their emails during spring 2011. Thank You for your cooperation!

A SUCCESSFUL NEW YEAR TO YOU! With kindest regards, Anna Saarela

1. Sex. Please choose one from the alternatives

Female

Male

2. Age

20-30

31-40

41-50

51-60

61-

3. Is it your first visit to Finland?

Yes

No

4. You arrived from -

Moscow

Saint-Petersburg

Other –

5. Do you consider yourself as the representative of Russia's-

Upper-middle class

Middle-class

- 6. What is important for you in vacation in the Finland? Please choose one or several alternatives.**

Vacation itself Time with family Shopping Culture

Sport activities Nature A change of environment Other

- 7. The level of service in Finland in general is**

High Medium Low

- 8. The level of service and its personnel at the hotel is**

High Medium Low

- 9. The level of service and its personnel in the shops is**

High Medium Low

- 10. The level of service and its personnel in the restaurants and cafes is**

High Medium Low

- 11. Have you been served in Russian language during your stay in Finland? If yes, please mark the place (hotel, restaurant, shop)**

No, I have not Yes, I have – in

- 12. Would you like to have service in Russian language? Please choose one of the alternatives**

Yes, it makes things easier No, I speak English

No, I do not consider the language as a problem

13. What you prefer more important, the service in own language or the high level of service? Please choose one from the alternatives

Service in Russian language The high level of service

Both alternatives are equally important

**14. Is there something that Finland/Lahti is missing for the perfect vacation?
(in your own words)**

15. Could you suggest a vacation for your relatives, friends or acquaintances in the Finland?

Yes

No

I find hard to answer

Thank You!

*Filled questionnaire forms may be left at the Reception

*If you are interested in reading a complete thesis later this spring, you may leave your personal email here:

@

APPENDIX 2

ORIGINAL

Sähköpostikysely Lahden kehittämissyhtiön (LAKES) matkailusta vastaavalle Miika Laaksolle, tammikuu 2011.

1. Millainen merkitys Lahdelle ja sen seudulle Venäjän kasvavalla keskiluokalla on?
2. Kertoisitteko lyhyesti Lahden 2010 - 2011 mainoskampanjasta (www.visitlahti.ru), joka viedään Pietarin markkinoille (kohderyhmä, tavoitteet, toteutus, jatkosuunnitelma).
3. Kyselyni perusteella 55 % venäläisistä Lahden matkailijoista pitivät suomalaista palvelutasoa korkeana, mitä mieltä olette tästä? Millä tavoin palvelutasoa voisi nostaa entuudestaan? Onko mielestänne paikallisten yritysten tieto-taito Venäjä-osaamisen sektorilla ajankohtaisella tasolla? Tuntevatko palveluntarjoajat tarpeeksi hyvin asiakkaitaan tässä tapauksessa venäläisen keskiluokan edustajia?
4. Jos Suomen ja Venäjän välillä viisumivapaus toteutuisi lähitulevaisuudessa, onko Lahdella tarpeeksi matkailualan korkeatasoista kapasiteettia vastaanottaa lisää matkailijavirtoja?

APPENDIX 2

TRANSLATION

An email inquiry to the Lahti's business development company LAKES and its head of the tourism Mr Miika Laakso, January 2011.

1. What kind of meaning Russia's growing middle class has on Lahti city and its near region?
2. Can you describe shortly Lahti's marketing campaign 2010-11 in Saint-Petersburg (www.visitlahti.ru)? For whom it is designed? Implementation, future plan?
3. My survey shows that 55% of Russian visitors in Lahti city found Finnish service level as a high, what do you think about that? How the service level could be even higher? Do you find that the representatives of local business organizations have enough know-how on Russia-knowing sector? Do service providers know enough about their customers?
4. If between Finland and Russia will be a visa free travelling possibility, does Lahti city and its region has enough a high level of hotels to accommodate larger flow of visitors?

